Austria Sch. 18	Indonesia Rp 2500	Portugal Esc 80
Bahrain Din 0.650	Italy L 1700	S. Arabia Rls 6.00
Belgium BFr 38	Japan Y 500	Singapore S$ 4.10
Canada C$ 2.00	Jordan Fils 500	Spain Pta 100
Cyprus C£ 0.60	Kuwait Fils 500	Sri Lanka Rup 30
Denmark DKr 7.25	Lebanon £1 6.00	Sweden SKr 6.50
Egypt E£ 1.00	Luxembourg LFr 38	Switzerland SFr 2.00
Finland Fmk 5.50	Malaysia Ringgit 4.25	Taiwan NT $35
France Fr 6.00	Mexico Pes 120	Tunisia Din 0.600
Germany DM 2.20	Morocco Dh 6.50	Turkey L 180
Greece Dr 60	Netherlands Fl 2.50	U.A.E. Dh 6.50
Hong Kong HK$ 12	Norway Kr 6.00	U.S.A. $1.50
India Rup 15	Philippines Pes 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,497 — Tuesday December 11 1984 — D 8523 B

Grenada election mandate raises expectations, Page 5

NEWS SUMMARY

GENERAL

Pretoria charges six with treason

South Africa withdrew detention orders against 11 members of the United Democratic Front anti-apartheid body but charged six of them with high treason, which can carry the death penalty.

They include three of the original six who sought refuge in the British Consulate in Durban. The UK Foreign Office said the remaining three should "leave at once" now charges had been brought. The crackdown follows the involvement of the 11 in an election boycott campaign. Page 20

Bomb scare

The 1984 Nobel Peace Prize ceremony in Oslo was interrupted by a bomb scare just before 1984 laureate Bishop Desmond Tutu was due to speak.

Hostages 'tortured'

Passengers freed from a Kuwaiti airliner at Tehran airport said the Arab hijackers of the plane tortured U.S. and Kuwaiti hostages.

Beirut shelling

Heavy artillery battles began near Beirut, with radio stations reporting shells hitting Moslem and Christian residential areas north and south-east of the capital.

Election violence

Fresh clashes between rival political workers were reported during India's election campaign as Prime Minister Rajiv Gandhi promised his re-election would mean change in favour of the poor.

Barriers removed

Militant Kanaks seeking the independence of New Caledonia began removing road blocks from the town of Thio, prompting an exodus of settlers detained there for nearly three weeks.

France accused

New Zealand Prime Minister David Lange said France was "hell-bent" on more and bigger nuclear tests on the Pacific atoll of Mururoa, and accused it of being utterly reckless.

Corsican attack

The banned Corsican National Liberation Front (FLNC) claimed responsibility for a car bomb attack which damaged the police headquarters in Marseilles and slightly injured two people.

Pollution complaint

Sweden will ask its Nordic partners to protest against Britain's failure to curb sulphur emissions which are blamed for destroying lakes and forests in Scandinavia, a spokesman in Stockholm said.

Coupé coup

A vintage Bentley coupé that beat the Blue Train express from Monte Carlo to London in a 1931 race was sold at a special Sotheby's auction to a U.S. car collector for a record £270,806 ($324,720).

Human rights

Jurists from 16 Asian countries announced the formation of a regional human rights commission to be based in Hong Kong.

Angola toll

Angolan rebels said they killed 112 government troops and 20 Cubans in clashes in four provinces.

Financial Times

We apologise for any typographical errors in this edition resulting from action by the National Graphical Association and Sogat members in the FT reading room in London.

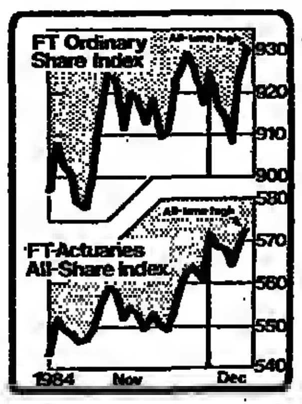
BUSINESS

Veba plans to invest DM 18bn

VEBA, West Germany's biggest industrial conglomerate, plans to invest DM 18.8bn ($6bn) during the next five years – its largest ever investment programme. The majority of funds has been earmarked for electric power generation while a significant proportion will go towards strengthening power distribution. Page 22

WALL STREET: The Dow Jones industrial average closed up 9.05 at 1,172.26. Section III

TOKYO shares staged a broad retreat as the Nikkei Dow market average fell 150.06, to 11,316.87. Section III



LONDON equities soared, although gilts were dull. The FT Ordinary index rose 7.3 to a record 930.3. Section III

DOLLAR rose in London to DM 3.0920 (DM 3.0850), SwFr 2.5525 (SwFr 2.5425), FFr 9.4725 (FFr 9.4425), but fell to Y246.75 (Y247.35). On Bank of England figures, the dollar's exchange rate index fell to 142.6 from 142.7. In New York it was DM 3.094, SwFr 2.557, FFr 9.4775, Y247.15. Page 43

STERLING was firmer in London but finished unchanged at $1.203. It rose to DM 3.72 (DM3.71), SwFr 3.07 (SwFr 3.06), FFr 11.39 (FFr 11.385), but fell to Y297 (Y297.50). The pound's exchange rate index rose 0.1 to 74.8. In New York it was $1.2015. Page 43

GOLD fell $0.75 on the London bullion market to finish at $326.75. It rose in Zurich to $326.75. In New York the Comex December settlement was $325.40. Page 42

SALOMON BROTHERS is testing the liquidity in the Eurobond market by asking for over $1bn on behalf of Prudential Insurance of America. Page 44

PLANNED changes in the UK oil pricing system, linking prices to the spot market, were condemned by Sheik Ali Khalifa al Sabah, Kuwait's Oil Minister, as a "disaster" that sets the stage for a price war. Page 9

JAPAN'S leading companies are expected to show accelerated profit growths in the half-year to March 1985, taking many to record levels, according to a Tokyo Stock Exchange official. Page 24

NORWAY'S Central Bank is to be allowed to place a limited amount of its foreign exchange reserves on deposit with Norwegian banks. Page 2

ISRAEL is printing money at the rate of about $130m a week to help finance subsidies on basic goods, a central bank official said in Jerusalem.

BAYERISCHE Vereinsbank, the Munich-based bank, reported partial operating profit (which excludes the results of own-account trading) of DM 414.9m ($136.4m) between January and October, compared with DM 463.1m in the previous corresponding term. Page 22

MATTEL, the Californian toy company, has continued its earnings recovery with profit in the third quarter up from $16.1m to $29.1m. Page 21

Union Carbide warned Indian unit over safety risks

BY JOHN ELLIOTT IN BHOPAL AND TERRY DODSWORTH IN NEW YORK

UNION CARBIDE'S Indian management was warned in 1982 by technical experts from its U.S. parent company that there were serious safety risks at its Bhopal pesticides factory which caused the death of an estimated total of more than 2,000 people last week.

"An operational safety survey" prepared by three U.S. executives criticised two sections of the chemical plant which local managers admit could be linked with the leak. These are now figuring in Government scientists' examinations.

Union Carbide last night confirmed the existence of the safety report dated July 28 1982, and said it was followed up with three further reports – the latest in June this year – dealing with safety procedures and equipment at the plant.

The company said copies of all four reports would be made available and implied that the three follow-up reports dealt with steps taken to address problems identified in the initial 1982 report.

Mr Warren Anderson, Union Carbide chairman, said yesterday that he was confident the victims of the gas leakage at the Bhopal plant could be "fairly and equitably compensated without marked adverse effect on the financial condition" of the group.

Meanwhile, two U.S. lawyers, who arrived in Bhopal on Sunday, said that by last night they had collected signed pro-formas from more than 5,000 clients seeking compensation from Union Carbide.

Mr John Coale, of a Washington law firm, said he estimated that 20,000 people in the town were "really badly hit," and that their maximum damages claimed in U.S. courts could total £900m. The figure could "be much, much higher," however, if punitive damages were claimed.

Mr Coale and his partner have also been retained by the Bhopal city council to recover $1m spent by the council after the accident.

Union Carbide's safety report listed about 10 detailed design and operational points which were safety risks. It is believed that the company corrected many of the points.

The report said that there was "some question about the adequacy of the tank relief valve to relieve a runaway reaction."

The gas that escaped over Bhopal for 45 minutes eight days ago had to pass through the tank relief valve as it rushed out of a storage tank.

The report also said it would be "possible to contaminate the tank with material from the vent gas scrubber." Scientists are examining whether some extraneous material entered the tank storing the chemical methyl isocyanate (MIC) to cause the unprecedented rise in pressure and temperature that led to the deadly leakage.

The scrubber is the container in which escaping MIC is supposed to be neutralised by caustic soda. This process failed last week partly, it is believed, because the attached escape chimney was not fully in use.

The report, prepared Mr L. A. Kail, Mr J. M. Paulson and Mr C. S. Tyson, added that "a number of factors make the MIC feed tank at Sevin (the name of the pesticides product) a source of concern."

The report has never been released but was publicised earlier this year by a local journalist, Mr Rajkumar Keswani, of the Indian Express. The existence of the plant has been a matter of local controversy for many years, and Mr Keswani has aired the worries in a number of articles since 1982.

Continued on Page 20

Union Carbide may face five years' litigation, Page 4

BIS studies the impact of electronic banking

BY PETER MONTAGNON IN BASLE

THE BANK for International Settlements (BIS) has commissioned an expert study on the trend towards electronic banking because of its concern over implications for monetary policy.

"Revolutionary" technological innovations in banking were likely to become a preoccupation of central bankers, Dr Fritz Leutwiler, outgoing president of the BIS, said in Basle yesterday.

Instant payments, such as the electronic clearing of inter-bank transactions, which is to be introduced in Switzerland next year, would require changes in monetary policy techniques because they mean a bigger turnover of money on a smaller liquidity base, he said.

"With liquidity of zero, you can reach an enormous turnover," he said. That would make monetary control harder for central banks and mean changes in their policies.

The proliferation of home-banking terminals allowing the public to seek out high interest bearing accounts at the mere turn of a switch also has implications for interest rate policy, Dr Leutwiler said.

M Jean Godaux, Belgian National Bank Governor, who takes over as BIS president next month, said that electronic banking also had legal aspects both because of the need to ensure adequate procedures for confirming transactions and to avoid fraud.

This meant that central banks also had to be able to advise governments on the subject – when they were preparing legislation on electronic payments – including those at a retail level involving such innovations as credit cards and point-of-sale terminals, he said.

The committee of BIS experts, which meets under the chairmanship of Dr Hans Meyer, a senior official of the Swiss National Bank, is already examining these issues and will report next year.

The two central bankers also disclosed yesterday that the BIS central bank governors are to decide next month on the role that the central-bankers' bank is prepared to play in acting as a clearing house for private transactions denominated in Ecus, the currency basket of the EEC.

Capital guidelines for banks engaging in off-balance sheet business are likely eventually to be drawn up by the so-called Cooke Committee of the BIS, which groups officials responsible for supervising commercial banks at the national and international level.

Dr Leutwiler said this was, however, a very difficult question because existing capital requirements and accounting procedures vary widely from country to country.

Progress regarding harmonisation of capital requirements was very important, but much depended on the lead in this respect from the U.S., "where the tendency is towards increasing capital requirements," he said.

The Bank of England is among a number of central banks which have expressed concern over the rapid growth in off-balance sheet international banking transactions

Men and Matters, Page 18

Ten agree position on mixed credits

By Quentin Peel in Brussels

EEC finance ministers yesterday overruled French objections and agreed that the use of mixed credit in trade deals should be made more transparent. They stopped short, however, of meeting the U.S. demand that the use of aid-and-trade packages should be greatly restricted.

The ministers were asked to approve a negotiating position for the Community in the Organisation of Economic Co-operation and Development talks being held in Paris, at which the UK Government is pressing for further controls.

They approved the position recommended by the European Commission, including a better definition of mixed credit, a higher threshold of aid input requiring prior notification by the government concerned, and a system of face-to-face consultations at the starting process of any contract negotiations to alert all contractors to the possibility of mixed credit being offered.

The proposals do not seek any effective limitation on the use of mixed credits, but call for greater "transparency," to prevent hidden subsidies for large contracts. The U.S. Government, however, would like to outlaw all deals with an aid input of less than 50 per cent.

The move was opposed by France, with M Pierre Bérégovoy, Finance Minister, arguing that it was a question of national sovereignty on which qualified majority voting would not apply.

The ministers also agreed a common position on providing export credit guarantees for the sale of wide-bodied aircraft, with a single interest rate applying to such deals and for other aircraft, to which the general system of three interest rates for purchasing countries would apply. Italy voted against this, however.

U.S. called on to justify steel curbs at Gatt, Page 3

Finance chiefs move to curb farm spending

BY IVO DAWNAY IN BRUSSELS

EEC FINANCE ministers yesterday demonstrated their determination to take firmer control of Community farm spending.

The European Commission, meanwhile, unilaterally deducted Ecu 100m ($73m) from advance payments to member states for farm expenditure in anticipation of money due to be returned for exceeding milk production quotas imposed last March.

In an unprecedented move, the finance ministers told their farm minister colleagues, also meeting in Brussels, that any decision on the amount of money to be paid under the Community's farm restructuring programme must meet their approval.

Until now, the farm ministers have had the freedom to set the spending limit themselves.

Yesterday's intervention was being seen as the first example of the finance ministers establishing their right to peruse the budgetary implications of decisions relating to the Common Agricultural Policy (CAP).

It also suggests that European treasuries intend to interpret last week's agreement at the Dublin heads of government summit on controlling the increase in CAP spending, in the widest possible terms.

In future, farm ministers may find that the majority of their agreements involving substantial sums of EEC money will also have to get the approval of the Finance Council. However, the move raises serious questions over the distribution of authority between ministerial bodies, because each council technically is the supreme Community authority in its field.

The Farm Council was locked in debate last night as to the level of funding for the next five-year programme of structural aids. These are paid to farmers for several purposes, from early retirement schemes to farm modernisation projects.

The European Commission, backed by France and Italy, has proposed expenditure of Ecu 5.9bn ($4.32bn), scaled down from an original request of Ecu 7.5bn. The West German, UK and Dutch governments all favour a lower figure.

For the past year, the ministers have rolled over existing programmes based on the Ecu 3.7bn allowed over the past five years.

The Commission's controversial move to deduct advance payments for milk production looks certain to trigger an angry response from several countries which claim not to have passed their "super levy" ceilings.

Advance payments to cover agricultural costs incurred by member states under EEC rules are paid each month. The Commission has the right, however, to reduce the totals requested by each country if it disagreed with their figures.

Officials would not reveal last night which countries had had their December request for advance funds cut back, but they are be-

Continued on Page 20

Consumer groups attack car price proposals, Page 3; EEC/Japan VCR deal finalised, Page 6; Editorial comment, Page 18

Allianz to restructure and make DM 800m rights issue

By Jonathan Carr in Frankfurt

ALLIANZ Versicherung, West Germany's biggest insurance company, has announced a restructuring plan which will let it diversify more easily into non-insurance sectors.

Allianz simultaneously said it was raising about DM 800m ($261.4m) through a one-for-five rights issue, thus arming itself for another phase of strong business expansion.

The new scheme, already being called the "Schieren plan" after Dr Wolfgang Schieren, Allianz's dynamic chief executive, was approved yesterday by the supervisory board.

It concludes a breathless year in which Allianz picked up a clear profit of DM 550m from its failed battle for Britain's Eagle Star, and moved to take effective control of Italy's second biggest insurance group, RAS (Riunione Adriatica di Sicurta).

The RAS move is expected to cost Allianz (1983 premium income, DM 15.4bn), more than DM 850m, one of the biggest investments ever made in Italy by a West German concern.

The core of the new plan is the transformation of Allianz Versicherungs AG, the present parent concern, into a holding which will not be subject to scrutiny by the Federal Insurance Supervisory Office.

This means that the holding, to be called Allianz AG, will be able to act more quickly in insurance takeover battles like that for Eagle Star. It will also be able to diversify into non-insurance fields, such as financial services, in a woy which the present structure – covered by West Germany's strict insurance sector rules – does not permit.

Allianz's direct insurance business will be transferred to a wholly owned subsidiary of the new holding. This subsidiary, called Allianz Versicherungs AG, like the former parent concern, will take over all Allianz domestic companies in the non-life insurance sector.

The new Allianz Versicherungs AG will be subject to federal supervision and the holding will be responsible for seeing that its subsidiary meets the capital and other requirements of West German insurance law.

Nothing fundamental will change for Allianz shareholders, who have seen their shares soar in recent months

The shares they have so far held in Allianz Versicherungs AG (old) will automatically become shares in the new Allianz AG, and only the new group will be quoted on the stock market.

Lex, Page 20

Hitachi invites over-35s at UK plant to make way for youth

BY DAVID BRINDLE IN LONDON

HITACHI, the Japanese electronics company, alarmed that the average age of its workforce at a South Wales television factory is approaching 40, has invited all those aged 35 or more to take voluntary redundancy.

In a letter to all employees at the plant at Hirwaun, near Aberdare, the company says that older workers are more prone to sickness, are slower, have poorer eyesight and are more resistant to change.

The company is inviting "old-timers" in their late 30s and above to leave its employment next week to make way for youth. It is offering a tax-free payment of £1,800 ($2,160) and the opportunity to nominate a 16-year-old school leaver to take up the resulting vacancy.

Observers of the Japanese presence in UK industry said last night that the scheme was the most extreme example so far of an apparent oriental obsession with the problems of ageing and its impact on dynamism.

The Confederation of British Industry, the employers' organisation, said that as far as it knew, the scheme was unique among early retirement programmes. An average age of 40 seemed at least par for UK manufacturing workforces and it was felt unlikely that Hitachi might be starting a trend.

Earlier this year, the company and the electricians' union, EETPU, incurred the anger of other unions represented at the Hirwaun plant by signing a single-union agreement.

Mr Emlyn Jenkins, an EETPU regional official, said yesterday that the severance offer had been discussed by the elected "company members' board," made up of six management and 11 union representatives.

As far as he was aware, there had been no objections to the offer from the board or the workforce as a whole. Mr Jenkins said any objection that was forthcoming would be taken up by the union.

In its letter to the workers, or "company members" as Hitachi prefers to say, the company points to its continuing losses at Hirwaun and maintains that one obstacle standing in the way of increased efficiency is the age profile of the workforce.

It says that because redundancies this year were carried out mainly on a last-in, first-out basis, "we lost most of our younger people, particularly in production areas, and the average age in the factory moved to almost 40."

In all cases, the letter says, the average age of workers in competitors' plants is lower than that at Hirwaun.

CONTENTS

EUROPEAN NEWS

Rupert Cornwell reports on the third force in West German politics

Greens grow up as power beckons

LONG BEFORE last weekend, of course, everyone had realised that the Greens and the 9 per cent or more of the electorate which votes for them were setting the pace of West German politics. What emerged from their weekend conference is that, in spite of itself, the party is beginning to behave like it.

The pointers were there inside and outside the main conference arena. True, wispy straggling beards and colours faded by much washing were as always the order of the hour; and in the corridors outside, the Krishna sect, anti-vivisectionists with macabre exhibits and protesters of every other ilk held court.

But connoisseurs were quick to note that small children and relentless, distracted knitting were much less in evidence than in the past. This time there was too much serious listening and voting to be done.

Even the setting betrayed a great deal. The entire pageant unfolded in the sleek new Hamburg Congress Centre, a complex which incidentally contains one of the most expensive hotels in the city—not that Green delegates were staying there. The sort of place, in fact, beloved of organisations of rising middle class professionals for their gatherings.

In their perverse way, and to their considerable embarrassment, that is precisely what the Greens now are: the third force of West German politics, a flush with DM 30m (£8.1m) of official financing after their electoral successes of recent years.

Two days of debate in Hamburg have not provided the answer to the vital question of what should be done with those successes. But it did provide another clue to the inevitable political ageing process at work upon the Greens, five years after their foundation. The party has now discovered the skill of securing comparatively bloodless political compromise.

For, despite advance publicity and the illusion created by the passionate intensity of many speakers, the crunch between the "*fundis*" desperate to maintain the idealistic purity of an extra-Parliamentary movement, and the "*realos*" who believe that politics is the art of the possible, did not happen.

The differences are encapsulated in the issue of what truck the Greens should have with the Social Democrats (SDP), if the numerical possibility exists of forming Left-wing "red-green" alliances to govern in states, or even conceivably nationally, after the general election of February 1987.

Broadly, though not exactly, they pit much of the 27-strong Green group in the Bundestag against the national executive; the professional realists who believe, like Herr Joschka Fischer, that "we must experiment and learn," against the overwhelming instinct of the party grassroots to stay clear of temptation.

In the end, the Greens neatly held their options open (and in the process showed how they are not a party like any other by voting on an amendment to a motion *after* the motion itself). The SPD, the compromise formulation stated, was no fit partner for Green radicalism in its present mood.

> The Hamburg debate provided a clue to the political ageing process at work upon the Greens, five years after their foundation. The party has now discovered the skill of securing comparatively bloodless political compromise.

But the final word would rest with local parties as far as state parliaments and town halls were concerned, while the choice at Federal level could wait until much closer to the election.

The lesser importance of the resolution is that it is ambiguous enough for both purists and pragmatists to live with it.

Quarrelling among the Greens is endemic. Indeed the poisonous arguing in recent months over the principle of "rotating" MPs after just two years of service has accompanied the most startling gains in the electoral popularity of the party; and there is no reason to suppose that bedlam in Hamburg would have much blunted the appeal of the Greens on a myriad other grounds, ranging from the environment through the anti-nuclear movement to the feeling, amid the Flick affair, that they alone have clean hands.

More to the immediate point is that the uncomfortable bell has now been lobbed back into the court of the SPD. "You move towards our policies, and then we'll see what can be done," the Greens are effectively saying.

The offer — if such it is — will in all likelihood be put to the test after one or more of the three elections due next year, in the Saarland, Berlin and North Rhine Westphalia, the largest and most industrial state in the country.

As the larger party by far in a putative Left-wing governing arrangement, it will be up to the Social Democrats to make proposals, however wary they may be after their experience with the de facto alliance in Hesse, which collapsed in November after just five months.

What the Greens' attitude will be is anyone's guess. But the strategy of Hamburg, of hiding time, is if anything an advance for the pragmatist cause.

Oslo to place part of reserves with banks

BY FAY GJESTER IN OSLO

NORWAY'S Central Bank is to be allowed to place a limited amount of its extensive foreign exchange reserves on deposit with Norwegian banks—initially about NKr 3bn to 4bn (£279m to £372m).

This reform, long sought by the country's bankers, is part of a package of credit policy proposals tabled by the Government at tha weekend.

It is expected to improve the international competitive position of the Norwegian banks which take advantage of it as well as providing them with a significant and steady supply of foreign exchange.

At end-November, the Bank of Norway's reserves of foreign exchange were worth the equivaleot of about NKr 85bn at tha rate then prevailing. The Government recommends that NKr 65/70bn of this be invested in a way which will meet "traditional" liquidity and security requirements. Most of the rest can be invested in longer term paper which will yield the higher rata.

Placement of limited amounts with Norwegian banks will be a new, third alternativa. A cautious start is envisaged—the Central Bank's deposits with any one bank must not exceed 1.5 per cent of that bank's total assets. They can be for a maximum of 12 months, and must be at market rates. It is assumed that interested banks will make specific offers to the Central Bank.

Other measures foreseen in the government package aim at creating a more sophisticated money market than Norway has at present. Banks will be allowed to issue certificates of deposit and industrial and finance companies commercial paper which will compete for the short- and medium-term money now invested on the unregulated, "grey market."

Finally, a new type of short-term Treasury bills, offering market interest rates, will enable the Government to channel more of its borrowing through the short-term market. The new short-term bills may not, however, be used by banks and financial institutions to meet primary reserve requirements of placement obligations.

Greece to keep independent line

BY ANDRIANA IERODIACONOU IN ATHENS

GREECE'S Socialist Government is committed to a foreign policy which is independent of both the U.S. and Soviet power blocs. Mr Andreas Papandreou, the Prime Minister, told delegates of 62 Eastern and Western European disarmament groups, at the start of a three-day peace conference in Athens yesterday.

"Greece has rid itself of a policy of on-sided alignment with one specific bloc, because for a small nation this means constant submission," Mr Papandreou said. He none the less consistently singled out the U.S. for criticism in assessing the risks of a world nuclear conflict.

The Greek Prime Minister's official embrace of the international peace movement after the 1981 Socialist alection victory, and his promotion of the idea of a nuclear-free Balkans have been points of friction in Athens-Washington relations.

This week's conference attendad by 120 dalegatea from 28 European and North American countries — notable absentees were Turkey from tha West and Albania from tha Communist bloc—is the second of its kind hosted in Athans by the government-backed Greak peace group Keadea with tha aim of promoting co-operations between Eastern and Western disarmament groups.

An inaugural East-West peace conference was beld in the Great capital last February. Tha original plan had reportedly been to bold the meeting in Finland but this foundered on ohjections from Soviet-bloc peace groups. Keadea subsequently volunteered Greece as a venua. Finnish diplomats said yesterday *that* there was *still* a possibility of bolding a third conference in Helsinki.

In Athens this week, however, the main concern is to avoid the dramatic disaray in which tha February conference ended after W estern peace groups objected violently to the issuing of a joint communique by Keadea with the backing of East bloc delegations.

The majority Western view is that there can be no talk of common position until some of the fundamental ideological differences with the state controlled Soviet hloc movements, are hridged, and that tha latter should be tha sole aim of current conferences.

Yugoslavs start talks with IMF

THE Yugoslav Government yesterday started talkes in Belgrada with the International Monetary Fund ahoui a one-year extension of its current IMF standby arrangement axpiring next March 31, **Aleksander Lebl reports.**

Yugoslavia's Western government and bank creditors have made tha staodby extension until spring, 1986, a precondition of giving Belgrade further dabt relief.

Its leading commercial bank creditors, meeting in Vienna last Friday, agreed in principle to reschedule, in a single package, Yugoslavia's 1985-88 principal repayments, and let Yugoslavla off principal repaymants while this packaga is negotiated in the first quarter of next year.

Denktash expects to meet Kyprianou

Turkish Cypriot leader Rauf Denktash said yesterday he was optimistic that plans for him to meet Cyprus President Spyros Kyprianou, under United Nations auspices, could be concluded tomorrow, Reuters reports from Naw York.

He was speakiog to reporters after meeting U.N. Secretary General Javier Perez de Cuellar,

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Managers blamed for Siberian oil shortfall

By Patrick Cockburn in Moscow

THE SHORTFALL in output from the Soviet Union's largest oilfields in West Siberia is blamed on poor coordination by the state authorilles and slow application of enhanced recovery techniques according to a highly critical article on the Soviet Daily Izvestia.

Oil production for tha Soviet Union as a whole is expected to be 615.6m tonnes this year or 8m tonnes below target.

This is clearly causing concern to the Soviet authorities. The maintenance of oil production whila gas and atomic power are developed as alternative energy sources, is central to the development of the economy in the 1980s.

The article in Izvestia is the latest in a number of Press reports making detailed criticisms of tha management of the Tyumen oilfields in West Siberia.

Thay point to managerial failures at a number of different levels. Izvestia says that the ease witb which oil could be extracted when it was first exploited led to overconfidence in West Siberia.

Thera is a shortage of repair and maintenance teams and as a result they are overhurdened and the number of wells not operating because they need repairs has risen since June. One oilfield is producing at only 27 per cent of capacity.

Officials are quoted as saying that maintenance must be improved. They also say that reliable supplies of water must be found for water injection into depletad reservoirs. At least 1m tonnes of oil has been lost because of more than 1,000 powar failures, says Izvestia.

West Siberian oil reserves are put at 9bn tonnes but their extraction in a very hostile environment is clearly facing difficulties as new enhanced recovery techniques are introduced.

The social infrastructure in the oilfields is also poor. The Soviet daily Pravda noted earlier this year that two-thirds of people keeping existing wells going, spend less than three years in the oilfields because of the poor conditions.

"For an entire team of 15-20 (mostly women) there would be only one small cabin," said Pravda. "Usually there are no cafeterias, club rooms or personal services."

Lack of managerial co-ordination is exacerbated by the extremes of the Siberian climate. Last year heavy rain washed away the temporary roads across deep swamps leaving many wells and rigs isolated.

Howe calls for wide range of arms control agreements

BY LESLIE COLITT IN BERLIN

SIR GEOFFREY HOWE, Britain's Foreign Secretary, yesterday called for sweeping arms control agreements between East and West "across the whole field" of armaments, including nuclear, chemical and space weapons.

Sir Geoffrey made the appeal before his meeting Wednesday in London with Mr George Shultz, the U.S. Secretary of State, who is to discuss arms control measures with Mr Andrei Gromyko, the Soviat Foreign Minister, in Geneva early next month.

The Foreign Secretary said progress could and should be made in nuclear and conventional arms control and "on the present danger of chemical weapons as well as on pre-empting competition in space."

Speaking in West Berlin, the British Foreign Secretary also urged greatly improved relations between East and West in the sphere of human contacts, culture, economic co-operation and trade. He called the present confrontation between the two blocs a "fundamentally absurd position."

Sir Geoffrey's remarks came shortly beforea planned visit to Britain by Mr Mikhail Gorbachev, the presumed second ranking member of the Soviet politburo. For the first time in many years, Britain has been singled out for apecial attention by the Soviet leadership, which has expressed dissatisfaction with West German and French attitudes towards Moscow.

The Foreign Secretary'a speech to the Berlin Press Association was televised live by West Berlin TV.

Sir Geoffrey apoke of the "economic logic of seeking true arms control, a balance and a lower level of armaments."

He said that Britain's links with Soviet Union were not unlike those between Hungary and Austria, or Poland and France. There was often "s good economic, as well as cultural, logic to these links."

Western diplomats say Sir Geoffrey is expected to make the first visit by a Britisb foreign secretary to East Germany next spring.

REPORT BY OECD BODY

Structural reform 'should accompany aid to Africa'

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

THE long-term development of Africa can best be assured in the context of structural adjustment programmes designed with the help of the World Bank and the International Monetary Fund (IMF), according to a report prepared by the committee of the main Western donor countries.

Mr Rutherford Poats, the chairman of the 18-nation Development Assistance Committee of the Organisation for Economic Development and Co-operation (OECD) understandably devotes most of his attention to the drought-stricken countries of sub-Saharan Africa. But he stresses that the curent African crisis is not the result only of a failure of agricultural production, central though that problem might be to the continent's development.

"The food and hunger problems *are symptoms of pervasive* imbalances in national development processes which, along with external constraints, have deprived most Africans of the material progress and social justice that they confidently expected to follow the attainment of independence," the report says.

More domestic food production will not automatically end hunger in Africa. That depends on whether a given agricultural system produces not only the food, but the jobs and income gains that can overcome the basic causes of hunger, poverty and ill health. It also depends on how governments use the revenues generated by economic growth to further the social aspects of development.

Noting that many African governments are beginning to look more favourably on the advice proferred to them by international financial institutions and aid donors, the DAC Chairman says this does not mean that all economic aid should be conditional on medium-terms structural policies.

However, aid is more likely to be constructively used "if the institutional and economic weaknesses highlighted by a structural adjustment programme are taken into account."

Food aid, accounting for a rising proportion of total economic assistance in sub-Saharan Africa, should be incorporated wherever feasible in national and sectoral development programmes. Its constructive functions—those of financing rural infrastructure, cushioning or against the risks of major changes in food price policies and providing balance of payments support—can be realised only if food aid is managed with as great concern for developments support—can be realised only if food aid is managed with as great concern for developmental effectiveness as other kinds of aid.

Mr Poat proposes that donor countries should take extraordinary steps to provide adequate financial and technical aid for the recovery and development of African countries without waiting for agreement on supplemental funding of the International Development Association (IDA).

Clear priority should be given to sub-Saharan countries which have decided to make the kind of structural adjustments and reform prescribed by African regional organisations.

Unesco to meet over financial crisis

By Paul Betts in Paris

THE EXECUTIVE board of the United Nations Education Scientific and Cultural Organisation (Unesco) is expected to hold an emergency session late next month or in February to review the financial implications of the U.S. withdrawal from the UN agency.

The U.S., which provides 25 per cent of Unesco's budget, is now virtually certain to pull out on December 28 when its one-year notice of withdrawal runs ont. The departure of the U.S. is expected to provoke a financial crisis at Unesco next year.

Britain's recent decision to follow in the footsteps of the U.S. and give notice it intends to leave the agency at the end of next year is also bound to increase the internal turmoil at Unesco. Britain banded in its formal notice of withdrawal last Friday to Mr Amadon Mahtar M'Bow, Unesco's controversial directoc general.

Sir Geoffrey Howe, the Foreign Secretary, in his letter to Mr M'Bow, said Britain was willing to reconsider its decision to withdraw if substantial progress was made to reform the organisation. The letter listed a series of major reforms sought by the UK.

Among the changes the UK is seeking are greater hudgetary restraint, administrative and managerial reforms and theic proper implementation, more effective Unesco programmes of more praactical benefit to developing countries, and the need to identify the agency's priorities.

Britain, which contribnles about 5 per centof the Unesco budget, will condnct a further review of its policies towards Unesco after the agency's General Conference next year.

However, British diplomats yesterday emphasised that Britain wonld continne to play next year an active role to promote internal reform in Unesco. They also claimed the decision to give notice was not a signal of any weakening of the UK's commitment to the UN or other multilateral organisations bnt was related only to Unesco.

The UK also rejected attacks by the Sovlet delegate last week that there was a conspiracy to blackmail the organisation. British diplomats also claimed that the UK "was not pointing a finger at any one person."

However, it is now widely recognised that the main problem at Unesco is Mr M'Bow, the agency's director general from Senegal whose current term runs ont in 1987. Mr M'Bow, has defended bimself vigorously. Again on French radio yesterday he described the attacks against Unesco as scandalons claiming that there were no facts to back np tbe allegations against his management.

Brussels car prices scheme attacked

BY QUENTIN PEEL IN BRUSSELS

PLANS by the European Commission to force car manufacturers to sell their vehicles at comparable prices throughout the EEC could end up making purchases more difficult, not less, consumer spokesmen warned yesterday.

Proposala intended to promote a genuine common market in car sales throughout the Community are due to be discussed by the Commission snd approved before the end of the yesr. But consumer organisations fear that they include enough special concessions and exemptions to negate their purpose.

The plans to allow a maximum price differential of 12 per cent for the same model in different member states have been furiously opposed by car manufacturers, which argue the new rules wonld stop car huyers from shopoing for the cheapesi prices in Belgium, Luxembourg, Denmark and Greece. Belgium in particular has been the most attractive supplier for British car buyers, with prices 30 per cent and more below British levels.

Now the European Bureau of Consumer Unions (BEUC) has written to Mr Frans Andriessen, the commissioner in Brussels responsibte for competition, protesting that his plans are too weak.

The consumer organisations claim that the Commission's proposed guidelines for enforcing the new rules ...

Mr Tony Venables, director of BEUC, said that the guidelines would exclude countries with price controls, or with particularty high taxes, which would mean those four. "The Commission is instituting a two-tier common market, rather than instituting a single common market," he said.

He also claimed that the guidelines would allow manufacturers up to 18 per cent in price differentials, under special circumstances, rather than hold the line at 12 per cent.

"It is still not too late to reverse what could he a disastrous outcome from 2½ years of discussion," be said. He charged that the Commission's guidelines would make considerable moves in favour of car buyers, for example making it easier for them to lodge a complaint.

U.S. asked to justify steel import curbs

BY OUR BRUSSELS CORRESPONDENT

U.S. TRADE negotiators will next week be called upon to justify their restriction of imports of steel pipe and tubes from the European Community, sl a special council meeting of the General Agreements of Tariff and Trade (Gatt).

The meeting has been fixed for Monday at the request of lhe EEC following the U.S. move to stop all imports of pipes and tubes until the end of the year, and thereafter unilaterally to rstrict such sales to some 5.9 per cent of the domestic market.

The whole dispute will also loom large at top level talks to be beld in Brussels on Friday this week, involving Mr George Shultz, the U.S. Secretary of State, Mr Malcolm Baldridge, lhe Commerce Secretary, and Mr William Brock, the U.S. Trade Representative, and Viscount Etienn Davignon and Herr Wilhelm Haferkamp for the EEC.

U.S. officiats have let it be known that they hope for a negotiated settlement through the Gatt procedure.

The EEC has called for the full special council meeting because the U.S. decision to restrict its pipe and tube imports has hitherto not been formally notified, providing no grounds for Gatt consultations.

The U.S. ca nnow plead one of two cases at the meeting, it is said in Brussels.

It can plead that the action is to protect U.S. manufacturers, under Article 19 of the Gatt—although there has been no formal complaint by tbe U.S. industry, at least as far as steel tubes are concerned. Such a plea would entitle the EEC to seek compensation, but only after investigation of the damage caused.

Or the U.S. could decline to give any strict justification, in which case the Community would be entitled to seek compensation under Article 23 of the Gatt

The U.S. Administration took its action sfter EEC imports of steel pipes and tubes topped 14 per cent of the U.S. market, in spite of an informal agreement to restrict the levels to 5.9 per cent. In an attempt to reach a compromise, a restriction to 7.6 per cent was proposed by Brussels

Ministers fail to act on EMS, Ecu

By Quentin Peel in Brussels

EEC FINANCE ministers yesterday postponed any decision of further development of the European Monetary System (EMS), and on measures to encourage wider use of the European Currency Unit (Ecu), to give their central bank governors a chance to narrow the divisions between themselves.

In spite of an effort by the European Commission to push through a mini-package of measures affecting the Ecu, the Community's fledgling official currency, the ministers decided that any action was still premature.

The moves under consideration would have raised the interest rate payable by central banks on Ecu borrowing to market-related levels, and would have allowed central banks outside the EEC to hold Ecu-denominated deposits.

The interest-rate proposal has caused problems for Belgium, while suggestions in the Commission proposals for expanded private use of the Ecu are opoosed by West Germany

The Commission also proposed measures for the wider developmentof the EMS, including easing of exchange rate controls and capital flows between member states.

The minist*rs also failed to reach agreement on a variety of measures to increase the duty-paid allowances for cross-border travellers in the Community. These would have raised the allowance for wine purchases from four litres to five, and for other goods from Ecu 280 to Ecu 320 per person.

The finance ministers agreed to give next week's internal market council a further opportunity to overcome Danish objections to the deal.

SPD gives evidence on Madrid Flick case

BY TOM BURNS IN MADRID

THE West German Flick scandal moved to Spain yesterday as two Social Democrat (SPD) members of the *Bundestag* gave evidence over alleged funds from the West German industrial group to the ruling Spanish socialist party at a closed-door committee session of the Cortes (parliament) in Madrid.

Herr Peter Struck and Herr Hans Jürgen Wischnewski, who is so the SPD treasurer, were understood to have denied any funding to the Spanish sister party, the Partido Socialista Obrero Español (PSOE), by the Flick group.

The denials of the two were already on public record

The Cortes committee was formed st the suggestion of Sr Felipe González, the Prime Minister, after he faced parliamentary questions last month over press reports that the PSOE had been the beneficiary of SPD grants that had originated from the Flick holding.

Sr González vehemently rejected allegations that he had received such grants and urged the creation of an investigsting committee

Swedish hotels cancel contracts with Amex

BY KEVIN DONE IN STOCKHOLM

MORE THAN 500 hotels and restauranls in Sweden are to cancel their credit-card contracts with American Express in protest at what is claimed to be the company's excessive commission charges.

At the same time, the Swedish Hotel and Restaurant Association has started s legal action alleging that American Express is using unfair business practices which discriminate against small businesses.

Mr Allan Nyren, the association's deputy managing director, said the hotels and restaurants had been seeking to persuade American Express to adjust its terms and conditions to the Swedish market for several years but without success.

Some 850 members of the association have contracts with American Express in Sweden, and, of those, more than 500 are cancelling their contracts from March or April next year.

American Express has used its size to dictate terms that are unacceptable to many small and medium-sized businesses, Mr Nyren said.

Opec differentials accord in doubt

BY RICHARD JOHNS IN LONDON AND KATHLEEN EVANS IN ABU DHABI

DOUBTS about the Organisation of Petroleum Exporting Countries' ability to agree on an effective revised system of price differentials have been raised by the absence at the wekend of on member from a meeting of the key committee appointed to make recommendations to next week's ministerial conference in Geneva.

Dr Hana Said al Otaiba, the United Arab Emirates Minister of Oil, left Kuwait for London several bours before the committee meeting officially convened on Saturday citing a "personal commitment" to one of his colleagues.

He did ao, however, amid clear indications of disagreement with Sbeikh Ahmed Zaki Yamani, Saudi Arabian Minister of Oil, and other colleagues in Opec over their insistence that the price of the Arabian Light reference crude should remain at $29 per barrel.

After the meeting Sheikh Yamani said that the recommendation would be that it should not be changed—witb the implication that the price of heavier crudes, relatively under-valued at present, would be raised.

Dr Otaiba'a opposition to keeping the existing rale for the Arabian Light bench-mark crude alems from difficulties encountered by Abu Dbabi until recently in marketing its premium crudes.

However, as a result of the incentive given last month to equity shareholders in its two main producing operations giving them an extra margin of 80 cents a barrel and discounts of 60 cents conceded to Japanese customers (though their free credit period has been cut from 60 to 30 days), the output of the UAE is understood to have surged to over 1.25m b/d compared with a quota of 950,000 b/d agreed at the last Opec conference held in October.

Japanese buyers, moreover, are pressing Abu Dhabi for a further cut of $2 per barrel before renewing contracts for 1985 and have threatened to cut liftinga by half if they do not get such a reduction.

Abu Dbabi is the biggest singla contribnlor to excess Opec output currently believed to be about 16.5 b/d compared with the collective limit of 16m b/d agreed by members in their fight to maintain the existing price structure.

That in itself and Abu Dbabi's price trimming would in themselves be an embarrassment to Dr Otaiba wbo is also chairman of Opec's market monitoring committee.

The other member of the three-man committee on differentials is Mr Fawzi Shakshuki, Libya's acting secretary for oil. But Sbeikh Ali Khalifa al Sabah, Kuwait's influential Minister of Finance and Oil, and Sheikh Abdul-Aziz al Thani, his Qat.ri counterpart, also attended the weekend meeting as "observers."

Oil companies slow off the mark in China

BY COLINA MACDOUGALL

FEWER companies have shown interest in China'a second round of bidding for offshore oil development blocks than in the first round which concluded last year.

So far only 26 companies, including 15 U.S. groups, have asked for bidding documents compared to around 40 last time and a final tntal of 32 wbich signed contracts.

The closing date for application is December 15. Initial responses to the application forms must be made by January 13.

"According to our contacts, the foreign companies are very interested in the second," Chen Bingqian, Director of the China National Offshore Oil Corporation's liaison office told a news conference in Peking yesterday.

Among applicants are comoanies already involved in exploratory drilling nnder the first round. These include Esso, Shell, Britisb Petroleum, Chevron, Texaco, Occidental and Elf-Aquitaine, Chen said.

Two firms not so far involved in China, the American Oil Company and Norway's Statoil, have alsv asked for applications.

"Most companies already involved are likely to apply, to see what'a nn offer," said an oil industry spokesman. "There may be a rush just before December 15 as companies like to leave it late to keep their moves confidential."

China announced the second round on November 21, inviting fnreign firms to explore 100,000 square kilometres (40,000 square miles) in the Yellow and South China Seas.

First-round drilling has failed to produce a major nil find, although Atlantic Richfield, drilling under different contract arrangements, struck gas off Hainan Island.

The Chinese have said that terms, regarded as tough in the first round, would he "more flexible" in this one.

Trial of Israel's top four banks under way

By David Lennon in Tel Aviv

ISRAEL'S four largest banks and their chief executives have gone on trial here on charges of forming a cartel last year to reduce interest paid on negotiable certificate deposits (NCDs).

The charge was brought by the Ministry of Industry and Trade which claims that the chief executives of the banks met on June 5, 1983, and subsequently acted jointly to bring down the interest paid on the short term deposits from 120 per cent to 85 per cent. It is alleged that further meetings of the bank officials in August and November produced rises in the interest rate to 93 per cent and 103 per cent respectively for deposits in NCDs, which were then the primary short-term instrument of the financial system.

All these activities constituted a cartel and are a criminal offence under the trade restrictions law, the ministry alleges.

The banks have denied that there was collusion on interest rates. Mr Ernest Japhet, chairman of Bank Leumi, said yesterday that the decision to prosecute the banks 'is one of the most ridiculous things ever done'."

● Israel's most controversial politician, Mr Ariel Sharon, the Minister of Industry and Trade, is again at the centre of a political storm in Israel which is putting new strains on the national unity Government.

Mr Sharon's absence from Israel for more than a month while he attends his libel suit in New York against Time Magazine has led Mr Haim Barlev, the Labour Party Police Minister lo call on him to resign or take leave

Beirut fighting accentuates security row

By Nora Boustany in Beirut

THE split in the Lebanese Government over its proposed security plan was embpasised yesterday by a flare np in fighting between Druze and Christian militias in the Chouf mountains. Against this violent backdrop, Mr Richard Murphy, the U.S. envoy, arrived in Beirut to try to belp push forward the stalled Lebanese-Israeli withdrawal negotiations.

One man was killed and a little girl wonnded yesterday when Druze - fired shells slammed into ontskirts of Christian east Beirut.

Voice of the Mountains, the Druze radio station, charged that a Druze village east of the first monntain ridge outside the capital had come under fire. The violence followed fighting the day before that left seven people wounded in Christian areas.

Mr Walid Jumblat, Druze Minister of Tourism, has denounced the government plan for the deployment of a 1,200-man army unit in Iqlim al Kharronb, the sonthern tip of the Chouf mountains.

Mr Jumblat vowed that the army would never take np position between Khalde and al Awali, the northern most Israeli position.

● No progress was made yesterday in the ninth round of military talks on security arrangements for southero Lebanon if Israel withdraws its troops, writes David Lennon.

Union Carbide may face five years' litigation

BY PAUL TAYLOR IN NEW YORK

JUST A week after the Bhopal disaster shocked the world, lawyers in the U.S. and India have set in motion what could become on of the most complex disaster, lawyers in the U.S. liability law-suits ever brought against a major industrial company.

By filing a $15bn (£12bn) lawsuit against Union Carbide on behalf of the relatives of victims of the Bhopal poisonous gas disaster, lawyers in the U.S. have begun a legal process which could take at least five years to resolve and result in perhaps millions of dollars in fees for the legal profession.

On Friday the Miami law firm of Tobin and Thomson and Mr Melvin Belli, a veteran and sometimes controversial California product lawyer, filed a suit in a West Virginia court against the U.S. parent company on behalf of two surviving relatives of victims of the accident which killed well over 2,000 people.

The lawyers, who flew to India over the weekend to begin collecting evidence for the case, are hoping that it will become a "class action" suit on behalf of all the victims of the disaster.

Before that can happen the U.S. courts must agree to designate the case a class action suit. That process alone could take perhaps six months. In making that decision the courts must decide whether the case is appropriate as a class action and whether the lawyers representing the plaintives are suitable. Even if the case is designated a class action, U.S. law permits individual plaintives to "opt out" of the action and bring their own prosecutions.

The actual hearing of the such class actions is broken down into two distinct phases. The liability hearings, which are often held as a separate trial, during which evidence is heard and could take perhaps two years, and the damages hearings.

In total, together with appeals, Mr Stuart Speiser, one of the leading prosecution lawyers in product liability cases, says "we are looking at four or five years" at best before the question of compensation is even considered.

Even if the case against Union Carbide is heard in the U.S. rather than India where similar actions have already been brought by the Indian Government — a factor which some lawyers see as reducing the chances of a successful suit against the company in the U.S. — the outcome is far from certain.

In most cases where liability is proved, a complex process of negotiation takes place between lawyers representing the plaintives and the defendants and their insurers. Settlements are sometimes subject to court approval.

There are a number of precedents for such agreements, among them litigation resulting from asbestos exposure, the Agent Orange cases, the suits resulting from the 1980 MGM-Grand Hotel fire in Las Vegas and, most recently, settlements made by A. H. Robbins, the pharmaceutical company, in suits brought by users of its Dalkon shield contraceptive device.

In the Manville asbestos and Agent Orange cases settlements have been proposed but have yet to win court approval.

Philippines GNP falls by 5.2%

BY EMILIA TAGAZA IN MANILA

THE PHILIPPINE economy contracted by 5.2 per cent in real terms in the first nine months of the year compared with the level of the same period lasl year.

Mr Vicente Valdepenas, Economic Planning Minister, attributed the decline to the foreign exchange shortage, the debt crisis and natural calamities. He predicted the gross national production (GNP) would fall by as much as 5.5 per cent for the whole year.

Mr Valdepenas said the dismal performance of the industrial and manufacturing sector, which traditionally accounts for more than a third of GNP, gave the biggest jolt to the economy. Manufacturing was severely curtailed by the shortage of dollars required to import raw materials.

With the finance rescue package being worked out with the International Monetary Fund (IMF) in place by early next year, Mr Valdepenas hopes that the economy will turn around next year wlth a 1.2 per cent projected growth rate.

Private economic research groups have, however, predicted that the economy will continue contracting next year because the Government is committed by the IMF to adhere to stiff austerity measures which, the researchers say, discourage economic activity.

The Government expects to wind up negotiations with the IMF for an SDR 6.5m standby credit next week. Facilities are also being negotiated for a rescheduling of almost U.S.$6bn (£5bn) of its ontstanding commercial loans, and for fresh commercial loans of $925m.

Senegal reaches standby agreement with IMF

BY PETER BLACKBURN, RECENTLY IN DAKAR

SENEGAL has worked out in principle with the International Monetary Fund a standby agreement, Mr Mamadou Toure, its Economy and Finance Minister said in an interview.

The agreement , the fourth in the last three years, will open the way to a further rescheduling of the country's officlal and commercial debts.

It wil also facilitate funding of Senegal's new four-year 1985-89 development plan. A World Bank consultative group of Western aid donors is due to meet in Paris on December 13-14 to be briefed by the Goverment on the plan's main guidelines.

Mr Toure said thatt he new IMF agreement would continue to implement measures contained in earlier agreements aimed at stabilising the country's finances and promoting economic recovery.

Seversl measures including fuel and coking oil price increases, have already been introduced, he poinled out.

However, Mr Toure refused to disclose whether there would be a further increase in the price of rice, the country's basic staple.

Disagreement on this point is understood to have delayed conclusion of the new agreement to succeed the previous SDr 63m (£51.7m) 12-month one which expired last September.

The Government has raised the price of rice by nearly two-thirds since early 1982 but the IMF is reportedly pressing for a further increase of up to one-third.

The import of 350,000 tonnes a year of cheap broken rice, mainly from Thailand, has been a major disincentive to promoting domestic prodnction not only of rice but other food crops.

Mr Toure, a former IMF official, commenled that the reduction of public expenditure and balance of payments deficits as well as the elimination of petroleum and food subsidies were part of the standard IMF prescription.

"But if the dose is too strong or applied too quickly it could *kill the patient*," he warned. The capacity of an industrialised country such as the UK to adjust to such an approach was different from that of a developing country like Senegal.

Given that the country's external payments position is unlikely to improve significantly in the short term, Mr Toure said that a rescheduling of the country's official debt over two to three years would be "more realistic."

New Caledonian nickel mine to reopen soon

Societe le Nickel (SLN) will re-open its mine at the New Caledonian town of Thio within a few days following the lifting of blockades by militants seeking indpendence for the French colony, the company said yesterday.

Production from the smelter had not hene affected because stocks of ore had remained high during the 20-day closure, the company said.

Jurek Martin writee: The New Caledonian anthorities said yesterday that they had detained a settler of mixed blood suspected of having taken part in last week's ambusb that killed 10 Melaneslan islanders. They said they believed seven men had been involved in the incident.

Meanwhile, the island remained tense, and M Edgar Pisani, France's special envoy, continued his talks with New Caledonian leaders in an effort to restore law and order.

They are also, discussing mechanisims whic could lead to eventual indpendence, a proposition strongly resisted by the local French community.

With the roadblocks coming down, local news coverage is focussing on the plight of the French settlers, whose property and livestock appeared to suffer greatly during the unrest.

Sri Lanka imposes curfew

A 61-hour curfew, the longest in Sri Lanka's history, came into effect in the Jaffna and Kilinochchl districts, in the north, at 5 pm yesterday, writes Mervyn de Silva in Colombo.

The Government gave no reasons for the move but said several GCE O-level examination centres in the Jaffna area had to be closed after Tamil separatist rebels bijacked a bus *transporting exam papers* and disrupted work at many centres.

In another move, the Government extended the prohibition "no-go" zone to include Maunar, in the north-eastern part of the country

Meanwhile, General Vernon Walters, President Reagan's special envoy, held a second round of talks this morning with President Junius Jayewardene and national security minister Lalith Athulathmudali.

The talks centre on a Sri Lankan request for more arms aid from the U.S.

Shultz defends use of force as integral part of diplomacy

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MR GEORGE SHULTZ, the U.S. State Secretary, has resumed his debate with Mr Caspar Weinberger, the Defence Secretary, over the proper use of U.S. force, asserting that there can be no guarantee of public support in advance of American military action.

Without referring directly to Mr Weinberger, Mr Shultz took issue with the Defence Secretary's contention on November 28 that: "There must be some reasonable assurance we will have the support of the American people and their elected representatives in Congress" before engaging U.S. combat forces.

In a speech to a Yeshiva University gathering in New York on Sunday, Mr Shultz said that Americans would always be reluctant to use force, which must always be a last resort. "But a great power cannot free itself so easily from the burden of choice. It must bear responsibility for the consequences of its inaction as well as for the consequences of its action."

In the debate between the two men, which dates from their disagreement over the deployment of U.S. marines in the Lebanon in 1982, Mr Shultz has constantly argued that U.S. power and diplomacy must go hand in hand, while Mr Weinberger has been much more wary of committing U.S. forces without public backing.

In his New York speech, Mr Shultz said that when the U.S. acted in accordance with its principles and within the "realistic limits" of its power, "we will be able to count on the full support of the American people."

Mr Shultz cited the October 1983 U.S. invasion of Grenada as an example of how "a president who has the courage to lead will win public support if he acts wisely and effectively." Vietnam, on the other hand, showed that public support "can be frittered away if we do not act wisely and affectively."

While Mr Weinberger has tried to draw the lessons from Vietnam by strictly defining the conditions under which the U.S. should use force, insisting among other things that it must be virtually certain of winning, Mr Shultz wants at least the threat of force to be an integral part of U.S. diplomacy.

Mr Shultz repeated his view that the U.S. should be ready to launch pre-emptive strikes against terrorists and to retaliate even if it meant that innocent civilians might be killed, a view not endorsed by the Reagan Cabinet. He described the recent hijacking at Tehran Airport as an "actrocity."

The State Department has only cautiously welcomed the Iranian rescue of the hostages at the airport, given that two Americans were still reported to be in hospital in Iran.

Meanwhile, Mr Shultz was due to leave Washington last night for talks outside London with Sir Geoffrey Howe, the British Foreign Secretary, before attending this week's North Atlantic Treaty Organisation ministerial meeting in Brussels.

Pentagon budget 'may be frozen

HAVING given preliminary approval to nearly $34bn (£28.3bn) in domestic spending cuts, President Ronald Reagan shifts his focus to the Pentagon this week and is expected to consider a plan that would hold most military spending at this year's level, AP reports from Washington.

Mr David Stockman, budget director, is believed to have drafted such a recommendation which would produce savings of about $8bn.

Mr Reagan is hoping to *freeze federal spending* at current levels for the 1986 fiscal year, which begin on October 1.

"We know that it's important across the board to see that everyone participates in trying to achieve this freeze," Mr Reagan said last week, leaving the door open for reductions in military spending.

The President ordered his Cabinet last week to come up with $33.6bn in domestic spending cuts. Another $8bn in military spending savings would meet the overall $42bn goal.

***Decisions* on the Pentagon budget were delayed last week whila Mr Caspar Weinberger, defence secretary, was out of the country. Some administration officials have argued against paring the military build-up now, saying it would weaken the U.S. position in upcoming arms control talks**

Bleak future for Bolivia's tin industry

Mary Helen Spooner, recently in La Paz, on the background to trouble in the mines

THE elderly Bolivian gestured to the faded buildings in the tin mining town of Huanuni, locaied about 150 miles south of La Paz.

"When we had the revolution here there were miners dead in the streets," be said. "Soldiers as well, hut mostly miners, since the army bad guns and the miners only had dynamite."

The miners have an average life expectancy of less than 40 years. Their working conditions are among the worst in the world and, *not surprisingly, they* comprise the most militant lahour group in Latin America. During Bollvia's 1952 revolution, they ransacked the military's arsenal in La Paz and formed their own armed militia. No Bolivian head of state can govern for long without reaching soma agreement with this group, but the future for hoth Bolivia's nationalised tin industry and its 22,000 workers looks hleak.

Since 1976 the state mining company, Comibol has lost $110m, with more than half of the loss occurring last year. While total tin production rose slightly last year to 27,201 metric tonnes, the value of Bolivia's tin exports fell hy 17.2 per cent and mineral production in general continues to be hampered by work stoppages and a serious shortage of materials and spare parts. This year, Comibol is estimated to hava lost two-and-a-half months' production between January and October.

As a partial result of union pressures, Comibol's workforce is disproportionatly large, with labour accounting for almosl half of operating costs. In contrast, lahour costs al other mining companies average about 30 per cent. Out of Comibol's 18 divisions, only one is in the black.

Nearly three years ago, the World Bank offered Comibol a rehahilitation programme aimed at increasing productivity and *transforming* the state *mining* corporation into a technically sound financial enterprise. But the project bas undergone several revisions as Comibol introduced joint worker-state management. Any concrete steps towards overhauling the company have yet to be taken.

"The World Bank is pretty fed up with Bolivia," said one diplomat in La Paz recently.

Meanwhile, the co-management system, which was implemented less than a year after President Hernan Siles Zuazo took over power from the military, has run into trouble. In the beginning, the authorities had bad high hopes that the system would give Comibol workers a sense of identification with and responsibility to the company.

The result, however, has been a deterioration in Comibol's already inadequate management and an even greater politisation of the company. In addition, co-management has eroded morale among Comibol's engineers and geologists as their authority and technical expertise has been undercut by the miners.

Former President Garcia Meza . . . miners' opposition to his 1980 coup quelled hy indiscriminate strafing by the air force.

Comibol'a crisis has not reduced the militancy of mineworkers, who have borne the brunt of repression during past military regimes. During the 1980 coup, yed hy Gen Luis Garcla Meza, the Bolivian air force indiscriminately strafed the mining districts in an effort to crush resistance to the takeover. Hundreds of mineworkers were arrested, tortured and executed, while much of their leadership was either killed or sent into exile.

Though the leaders of the miners' union tend to be politically far left of centre, the complaints of the miners themselves tend to he more pragmatic. They concern such isues as faulty equipment, the lack of provisions in Comibol stores, and inadequale public services in the mining communities.

Earlier this year, workers at Comibol's San Jose mine in Oruro, the capital of Bolivia'a mining region, became so frustrated with the lack of public transportation that they seized several buses and taxis.

When the authorities appeared to hesitate in taking action against the miners, Bolivian transport workers went on strike. The stoppage ended only after the Government negotiated tha return of the vehicles.

Security at the mines can be extremely lax. At Huanuni, two unhelmeted miners cheerfully abandoned the old superstition about the danger of women in the mines in order to give a female visitor an unauthorised tour. At the entrance to the tunnel was a small shrine to the Virgin Mary.

A damp and slippery 300 yards inside waa another, less-benign image. In a small alcove stood the demon god "El Tio," a life-sized clay idol with a grinniog devil's face. The miners leave "El Tio" offerings of cigarettes and coca leaves, in the hope that this mighl ward off accidents.

Two months ago "El Tio" claimed a victim. A young mlner fell 130 ft to his death down an ore shaft when the metal grating on whicb be had been working collapsed. While the incident was not atypical of mining accidents elsewhere, Huanuni workers charged that they had repeatedly complained of the faulty grating to Comibol management.

"Working conditions have not improved much since the nationalisation," a Bolivian mining expert in La Paz admitted. Due to the high temperatures in some of the tin mines, which can reach 40°C or more, workers often do not like to wear their protective masks and thus inhale the dust generated hy the drilling.

A Bolivian miner has an estimated 90 per cent chance of contracting silicosis if he has worked underground for 10 years. In mining complexes such as Huanuni, locaied near rivers, tuberculosis and rbeumatism are common. But many miners prefer underground toil to above ground johs, in view of the higher pay.

"If you're lucky, nothing will happen to you," a Huanuni miner sbrugged.

Brazil delays reform of public finance system

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE PLANNED implementation on January 1 of sweeping reporms in the Administration of Public Finances in Brazil is likely to be delayed, due to a belated decision to submit the proposals to Congress for debate and inter-departmental row over the nature of the proposed changes.

After a spate of criticism that the changes—which will increase legislative authority over government finances, thus reducing future administrations' rom for manoeuvre—were being pushed through with indecent haste, President Joa Figueiredo is said to have decided last week that Congress should, after all, be allowed to have its way.

But Congress is now in its long summer recess, so the reforms cannot be debated until March at the earliest, shortly before the next government is due to take office. They are thus likely to be left to the new administration.

All sides recignise that the proposed changes are necessary and urgent. Indeed, one foreign expert caleld in to advise on the reforms described them as essential if inflation is to be beaten.

But stiff opposition to one key proposal, to separate out the functions of the state-owned Banco do Brasil, the central bank, has come from Banco do Brasil executives and employees.

Sr Oswaldo Colin, President of Banco do Brasil, the largest commercial bank in the country and once a powerful force, has publicly opposed the Government's proposals.

His tough stance, which brought him into conflict with Sr Ernane Galveas, the Finance Minister, was backed by tens of thousands of Banco do Brasil employees who launched wildcat strikes in several cities last Thursday and Friday, disrupting the national cheque clearing system used by all commercial banks.

However, the main purpose of the strikes was to protest against the Government's refusal to endorse an agreement reached between bank unions and Banco do Brasil on a wage claim.

Grenada poll mandate raises expectations

BY CANUTE JAMES, RECENTLY IN ST GEORGE'S

MR HERBERT BLAIZE, the new Prime Minister of Grenada, could be forgiven if he accepted the victory of his centre New National Party in the recent general election as a just reward for hard work.

At 66 and ailing Mr Blaize, the epitome of moderation, has spent the last two decades always coming second best, particularly to Sir Eric Gairy, the eccentric former Prime Minister.

Clad in a lightweight grey suit and, as always, wearing his grey fedora, he told a crowd of supporters, "This victory is your victory and no-one can take it away from you."

It was the first time in eight years that Grenada's electorate had the chance to vote.

The result was undoubtedly a victory for moderation. For the past three decades, control of Grenada has swung dizzily between Sir Eric's right-wing United Labour Party (GULP) and the socialist New Jewel Bishop, who was murdered in a coup in October of last year.

Sir Eric did not stand in the election. His party was rewarded with one seat, which it is not accepting, claiming the election was fraudulent. At the same time Mr Bishop's ghost appears to have been laid to rest.

The Maurice Bishop Patriotic Movement, led by the former Prime Minister's Cabinet colleagues who escaped the army's firing squad in the coup, received just over 2,000 votes or 4 per cent of the registered electorate.

Clearly Mr Blaize's victory has pleased the U.S. The murder of Mr Bishop prompted the U.S. invasion with token support from several Commonwealth Caribbean countries.

The governments of neighbouring Caribbean islands are also pleased with the election result. Mr Tom Adams, the Prime Minister of Barbados, who brought the NNP leaders together, has publicly welcomed the result. Before the election, Miss Eugenia Charles, the Prime Minister of Dominica, also expressed support for the NNP.

Mr Herbert Blaize . . . his victory has clearly pleased Washington.

Mr Blaize faces a difficult year. There have been reports of splits within the NNP over the succession. Two "young Turks" Mr George Brizan and Dr Francis Alexis are known to be interested in taking over.

Sir Eric would be keen to exploit any divisions within the NNP; although both Mr Brizan and Dr Alexis have denied that there are any. Sir Eric has said he expects another election well before the end of the Government's five-year term.

In the longer term, intractable problems have to be overcome in rehabilitating the economy. *Its main pillar*, agriculture, has been ailing. Nutmegs, of which Grenada is the world's second largest producer, are in need of a market.

The loss of a contract with the Soviet Union after last year's invasion has seen local stocks growing to the equivalent of one-and-a-half year's production. Bananas and cocoa are also fairing badly. Much is expected from tourism.

With the unemployment rate at 30 per cent, new jobs must be created. Mr Blaize's problem is that his overwhelming mandate has clearly raised expectations for quick improvements.

Never a man to move without studied caution, Mr Blaize might find he has to act with unaccustomed haste.

WORLD TRADE NEWS

McDonnell, Japanese in talks on new aircraft

By Michael Donne, Aerospace Correspondent

McDONNELL-DOUGLAS, U.S. builder of the MD-80 series of twin-engined short-to-medium range jet airliners, is discussing with Japanese companies possible collaboration on a new short-range aircraft seating up to about 120 passengers.

Such an aircraft — which could be either a jet or a "prop-fan"—would be aimed at the emerging market for an airliner smaller than current types of short-to-medium range aircraft (which variously seat up to about 149 passengers), and well below the much-publicised market for 150-seater airliners.

McDonnell Douglas is in the latter contest with its own MD-89, a plan for a jet aircraft seating up to about 173 passengers

McDonnell-Douglas has not launched any firm venture yet, but the companies are said to include Kawasaki Heavy Industries, Fuji Heavy Industries and Mitsubishi Heavy Industries, and the talks are being held with a view to winning their financial and production co-operation.

The three Japanese companies are already collaborating with the rival Boeing Company in studies on a larger, 150-seat type of airliner for the late 1980s. ... ...

At the current stage, the proposed smaller aircraft is envisaged as using "prop-fans"—large turbo-propeller engines of new design—on which much research is under way in the U.S.

Nevertheless, jet engines are not ruled out if prop-fans do not appear to offer the best economics in the time-scale desired.

Spokesmen for the Japanese companies said in Tokyo that present discussions on the topic were only preliminary.

The fact that the U.S. company has initiated such discussions, however, is indicative of the strengthening interest in the aerospace industries world-wide in an eventual 100-plus seater new technology aircraft.

Community, Japan finalise accord on VCR ceilings

BY ROBERT COTTRELL IN TOKYO

EUROPEAN Commission officials in Tokyo announced yesterday new ceilings to restrain Japanese exports of videocassette recorders (VCRs) to the EEC in 1985.

The main provisions of the agreement are that during 1985, European manufacturers are projected to produce and sell at least 1.4m VCRs in Community countries; that Japan will export no more than 2.25m finished VCRs to EEC countries; and that European plants assembling VCRs deemed to have a "substantial European value" will be allowed to import chassis kits to the level of their existing capacities of 1.7m.

The agreement also provides for Japanese companies to begin the year holding stocks in Europe of some 350,000 VCRs which may be sold in addition to those shipped under the "ceiling" formula.

The agreement represents the final year of a three-year restraint framework fixed between the EEC and Japan in February 1983.

The 2.25m ceiling for finished kits in 1985 is sharply lower than the 3.95m ceiling originally fixed for 1984. The 1.4m segmented allocation to domestic producers compares with a 1.3m allocation made for the current year.

Chassis kits were allocated a ceiling of 1.1m units for 1984, a volume said by EEC officials to be roughly equal to the "existing capacity" formula used in the agreement for 1985.

The terms of the agreement imply total VCR sales to the EEC of some 5m units in 1985. Next year West Germany is expected to become the largest European market for VCRs, taking 1.7m units, according to Macintosh International.

This year, the U K and West Germany are about equal in demand with about 1.5m units. Britain is down sharply from 2.1m last year.

But EEC officials are anxious to maintain a high degree of flexibility in administering the restraint, following the over-optimism with which this year's levels were drawn up in line with Japanese projections that European VCR demand would total some 6.35m units in 1984.

In practice, VCR demand in the EEC this year is likely to have totalled some 4.5m units. Domestic producers are likely to have sold 600,000 to 700,000 units, or about half the 1.3m projected in the 1984 restraint agreement.

Japanese finished VCR export sales are likely to have been around 3.15m, compared with the original ceiling of 3.95m, while sales of European-assembled chassis kits accounted for the balance, according to European Commission officials' estimates.

The Commission says the 2.25m direct export ceiling will not be raised, but may be lowered if demand undershoots expectations during 1985.

European and Japanese officials plan quarterly consultations on the state of the market, and the Commission says it may seek to adjust restraint levels at the year's halfway stage.

Malta puts high price on Tokyo trade links bid

BY OUR VALETTA CORRESPONDENT

MALTA HAS fixed a high price on Japan's attempts to restore its strained trade links with the island.

Premier Dom Mintoff's Government, which favours countertrade as a measure of whittling trade deficits with a number of trading partners, banned Japanese imports in 1981, complaining Japan has failed to redress its heavily imbalanced trade exchanges with Malta.

The latest available figures show Japan to have sold the island M£17.6m (£29m) in goods in 1981 before the ban was brought into force while, until this year, Japanese purchases hovered at an unimpressive M£209,361 (£350,000).

The extent of Malta's expectations last week shocked a visiting 18-member Japanese delegation

Malta, the delegates were told, expects Japan to pay the island a financial grant as compensation for the trade surplus netted over the years.

Additionally Japan was asked to make serious efforts to step up purchases of Maltese goods, bolster the island's shipbuilding and ship repair facilities, allow Maltese investments to participate in Japanese projects, provide the island with free factory machinery and costly research equipment including a submarine, and purchase two de-luxe hotels

Mr Mitchio Mizoguchi, who lead the Japanese delegation to Malta, claimed the conditions were beyond consideration.

In the first instance, Japan does not compensate countries with whom is registers surplus trade nor does it seek redress from those with whom the balance of trade runs at a deficit.

Second, Mr Mizoguchi added, trade in Japan remains almost exclusively the preserve of the private sector which means most Maltese conditions could not be sanctioned by the Government.

Seat gains foothold in Nordic market

By Kevin Done, Nordic Correspondent

SEAT, THE Spanish car producer, has gained a foothold in the Danish and Finnish car markets.

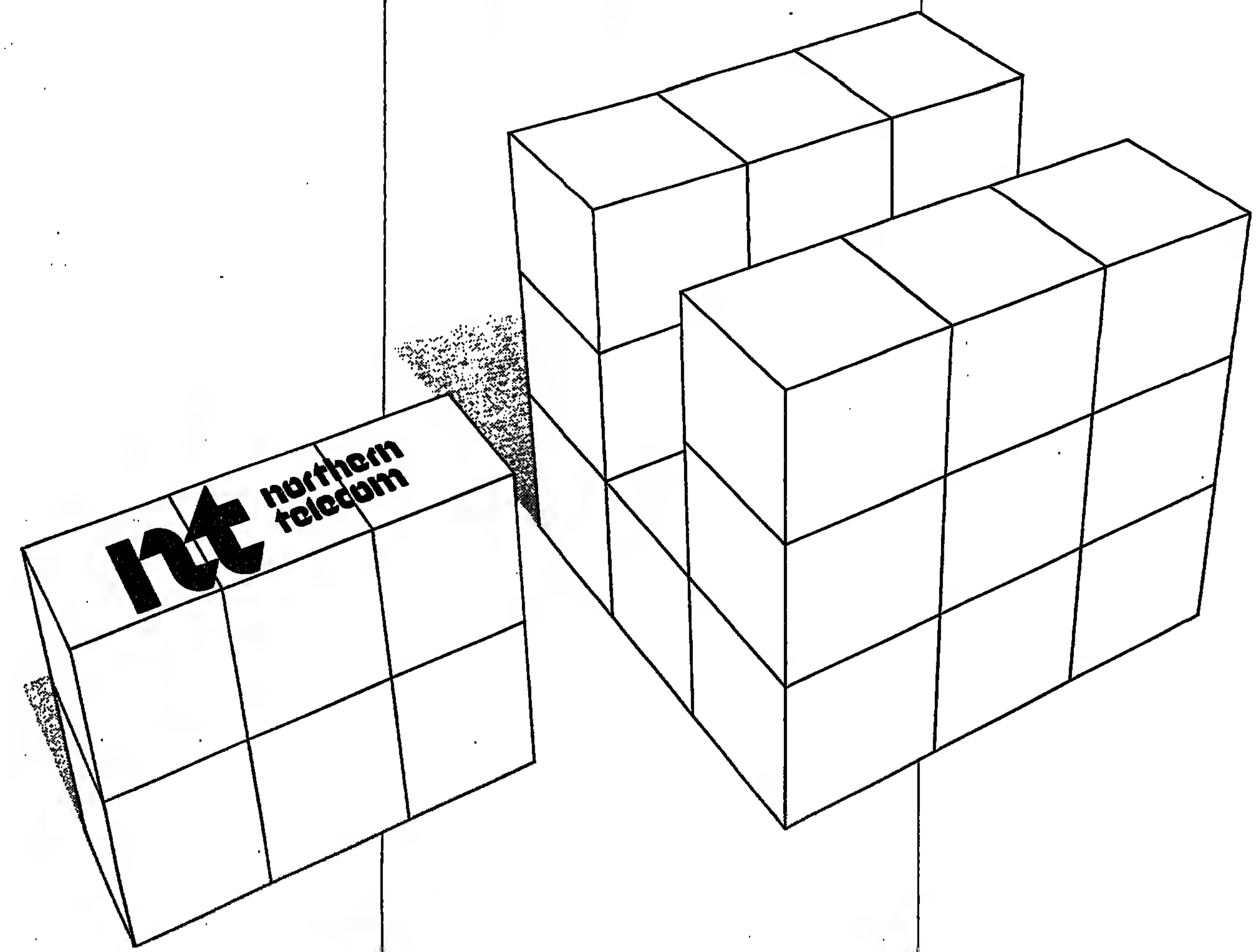
Saab-Scania, the Swedish carmaker, is to import two Seat models, the Ibiza and Rondo, through its wholly-owned Danish distributor, and its Finnish importer Scan-Auto, which is jointly owned with the Finnish company Valmet.

The Saab importers in both Denmark and Finland have serious problems in the higher price segments of the car market, which face heavy taxation.

With only limited demand for more expensive models, dealers need a rangeof cheaper small cars in order to be able to survive. Saab dealers have also sold Polish and Yugoslavian Fiat models.

In the first 10 months of the year East European manufacturers took more than 11 per cent of the market.

NORTHERN TELECOM. BUILDING THE TELECOMMUNICATIONS FUTURE.



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Digital World revolutionized the concepts and practices of communications and information management and accelerated the merging of the telecommunications, computer, and data-processing industries. It made possible the future of effective information-management.

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Northern Telecom today is the world's largest manufacturer of fully digital systems and services. It has in service, or on order, the equivalent of nearly 18 million lines of fully digital switching and transmission systems—more than any other company. Northern Telecom is a leader in the development and manufacture of computers and custom large-scale integrated circuits for telecommunications.

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UNMATCHED GLOBAL SUCCESS

In the United States, the world's largest and most competitive national market, Northern Telecom's DMS* (Digital Multiplex Systems) Family of digital central office switches has been sold to, or is in service with all 22 of the U.S. Bell operating companies and all other major telephone companies.

Northern Telecom is the largest supplier of digital telecommunications systems to the U.S. military. It is a principal source of such equipment for the U.S. specialized and resale common carriers, governments, private corporations, and major institutions, such as universities and hospitals.

It was the first telecommunications equipment manufacturer to introduce integrated voice and data capability with its family of SL* digital PBXs. The SL Family ranges from 30 lines to 30,000 lines and includes the largest digital PBX available. The SL PBXs are in use in 46 countries.

Financial and telecommunications organisations around the world are using the Northern Telecom SL-10 data packet switch. The U.S. Federal Reserve System handles fund transfers of more than US$100 trillion a year on its 14-node SL-10 system. SL-10 is used by the West German Bundespost, and in the United Kingdom, Canada, the U.S., Hong Kong, Switzerland, Portugal, Belgium, Austria, and the Republic of Ireland.

In the data-processing field, Northern Telecom systems are in use in North America and throughout Europe. More than 4,000 systems, worth £85 million, have been exported from England to Europe during the last 6 years. The Displayphone* terminal was the world's first combination telephone and computer terminal.

COMMITMENT TO RESEARCH AND DEVELOPMENT

Northern Telecom's technological and market leadership is based on a long-term commitment to market-driven research and development, which has already produced a decade of telecommunications firsts. Northern Telecom is presently investing nearly 10 percent of total worldwide revenues in R&D each year.

A major portion of future R&D expenditures will be devoted to products and systems for the OPEN World* programme announced in 1982. An acronym for Open Protocol Enhanced Networks, OPEN World is the company's mandate to bring order out of information-management chaos.

As one element of the OPEN World, Northern Telecom is making available to other manufacturers of data-processing and computing equipment the proprietary protocols to its switching systems. This will permit a great variety of information management equipment and products to work together in a single system.

Northern Telecom's 44,000 employees are based throughout the world in sales and services offices, 39 research and development centres, and 46 manufacturing plants.

With them, and through them, Northern Telecom continues to lead the industry and build the global telecommunications systems of the future.

For more information on Northern Telecom and its products contact: Northern Telecom plc, Berkeley Square House, Berkeley Square, London W1X 5LE. Telephone: 01-491 4599.

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UK NEWS

Transport union fails to pay court fine

By Raymond Hughes

THE TRANSPORT and General Workers' Union (TGWU) has failed to meet the deadline for payment of the £200,000 contempt-of-court fine imposed on it and may now face seizure of all or part of its assets, estimated at £34m.

Mr Justice Hodgson, the High Court judge who fined the union on November 26 for what he described as "one of the worst cases of disobedience of the orders of the court that there can ever have been," gave it 14 days to pay. That deadline expired at 4.30 pm yesterday.

The contempt proceedings had been brought by Austin Rover, the volume car subsidiary of state-owned BL, after the union had failed to obey a court order to call off a strike by its members at the company's plants. The action was brought under the new Trade Union Act, which requires a ballot to be held before strike action.

Now that the fine has not been paid, the next step would normally be for Austin Rover to return to court and seek leave to issue a writ of sequestration against the union. However, it is understood that the company is reluctant to take any further part in the legal proceedings, since the dispute at its plants has ended, and would prefer the court to deal with the matter itself.

In those circumstances the judge would have two options: either he could require Austin Rover to return to court or he could call in a High Court official, the Queen's Remembrancer.

The first option would involve a public court hearing at which the TGWU would be entitled to be heard. The indications are that the union would not take part – at least in the sense that none of its officials would go to court and it would not instruct lawyers to appear on its behalf.

The judge's alternative option would be to enforce payment of the fine as though it were a debt owed to the court. The Queen's Remembrancer would be instructed to act on the court's behalf as a judgment creditor of the union. He in turn would instruct the Treasury Solicitor to act for him.

One way of enforcing payment would be by sequestration.

Government underwrites sequestrators' costs

BY OUR LABOUR AND POLITICAL STAFF

THE GOVERNMENT has agreed to underwrite the costs of the sequestrators, accountants Price Waterhouse, in trying to recover the assets of the National Union of Mineworkers (NUM), until the cash is returned.

The official view is that the Government does not expect to have to pay out the money, but it believes it should underwrite possible costs to ensure that the law is upheld.

If and when the NUM funds are recovered and come back under the control of the High Court, then the sequestrators' costs will be paid. The underwriting is intended as an interim measure before the NUM assets are recovered since then the Treasury would be reimbursed for any sums incurred.

So far, the sequestrators' costs amount to £38,000, including £25,000 in Luxembourg.

The Government move provoked an immediate row in the House of Commons yesterday when Mr Stan Orme, labour's energy spokesman, said the Government was interfering in a court judgment in which it was not involved. The Government, he said, had no statutory authority in the matter and he called for an early statement.

Court hearings in Luxembourg and Dublin over funds held there by banks on behalf of the NUM were adjourned yesterday.

In Luxembourg, where Nobis-Finanz International holds £4.63m of NUM assets, a claim by Price Waterhouse was adjourned until next Monday. Price Waterhouse is seeking the appointment of a judicial sequestrator in Luxembourg to take charge of the funds.

In Dublin, the High Court agreed to add Mr Michael Arnold, the newly appointed receiver of the NUM's funds, as a co-plaintiff with the sequestrators in an action over £2.78m frozen in the Bank of Ireland Finance. That case was adjourned until January 14.

Mr Arnold said last night that his appointment had also been drawn to the attention of EBC (Schweiz), a Zurich bank holding £503,000 of NUM funds. A court in Zurich is expected to rule shortly on the sequestrators' claims for an order freezing those funds.

Mr Michael Eaton, National Coal Board spokesman, yesterday said he could see no chance of new talks with the NUM before Christmas. He accepted that the policy of relying on a drift back to work was a "slow process."

The NBC said that 208 miners returned to work for the first time yesterday. That compares with 234 at the same time last week, and 2,338 when the pre-Christmas return to work was at its peak.

Dr James McFarlane, director general of the Engineering Employers' Federation, said that the only move the NCB could make now in the dispute was to get tougher.

He thought that the Government's handling of the miners in the dispute might be an attempt to follow President Reagan's efforts in the U.S. to discredit and destroy union power in the case some time ago of the air traffic controllers in their strike – although he added that such an objective was probably unattainable in Britain.

The committee of senior Trades Union Congress (TUC) leaders tasked with liaising with the NUM met yesterday and issued a brief statement, saying it was "keeping the situation under close review."

The union leaders, who included Mr Norman Willis, TUC general secretary, were understood to have discussed an approach to Government to restart negotiations with the NUM.

The NUM faces the prospect of more legal action in the courts.

The use of miners' union funds to finance alleged intimidatory action on the picket lines and to support secondary picketing, is to be challenged in the High Court.

British Steel losses jump

BY OUR INDUSTRIAL STAFF

LOSSES BY British Steel (BSC) in the half year to September went up sharply to £245m against £98m in the corresponding period last year.

Costs attributed to the miners' strike are put at £95m, but at the pre-interest level and excluding the effects of the strike, BSC moved back into profit.

Estimated profits were £27m, against a £39m loss the year before. That puts BSC ahead of schedule on the Government-imposed target of break-even before interest for the year as a whole.

The miners' strike, however, is not the largest exceptional item in the figures. BSC has had to make a £103m provision against its interest in Sidbec-Normines, a Canadian iron ore mining and processing company in which it has a 41.7 per cent stake.

In 1984, taking iron-ore pellets from Sidbec-Normines will cost BSC some £21m in excess of world prices. Those uneconomic operations in Canada are to be closed, leaving BSC liable to a share of accelerated payments on Sidbec-Normines' mortgage loan.

Production of liquid steel was down 300,000 tonnes at 6.3m, as a result of difficulties in maintaining output in the earlier stages of the miners' strike. Home deliveries of steel were up at 3.8m tonnes, however, although exports were sharply down at 1.1m tonnes against 1.4m. The drop in exports was the direct result of "sales opportunities foregone as a consequence of the dispute."

BSC says its production and deliveries are now back to pre-strike levels, with the exception of sales to the coal industry, which normally account for some 8 per cent of turnover. Outlook for the second half seems uncertain.

The strong dollar continues to put pressure on costs, and there are difficulties in maintaining price momentum in Europe. The rest of the year may, therefore, be "a more difficult trading period."

● Manufacturers' fuel and raw materials prices rose strongly in November for the second consecutive month. Official figures put the increase at 0.9 per cent after a 1.9 per cent rise in October. Much of the increase is attributed to higher energy costs.

Electricity prices may change for large users

By Maurice Samuelson

THE ELECTRICITY industry is considering big changes in the way some of its largest industrial customers buy electricity after the coal strike is over.

The aim is to meet complaints that although UK electricity prices are now generally lower than elsewhere in Europe, except in France, some key industries using large and continuous electricity supplies remain at a disadvantage.

Under one plan, now at the centre of complicated and delicate negotiations, the National Coal Board would deliver a cheap tranche of coal to power stations, which would pass on the price benefit to specified consumers.

The scheme would assist parts of the steel industry and manufacturers of chemicals or gases such as chlorine or oxygen, which require continuous and heavy loads of electricity of which lower prices are available in parts of Europe.

Another proposal, which has less support among electricity industry officials, is that large users should be able to negotiate their contracts directly with the Central Electricity Generating Board rather than the 12 area boards, which retail most of the country's power.

That is being proposed by fuel purchasers in the UK's most energy-intensive industries, the so-called Energetic Seven – steel, chemicals, textiles, paper, cement, glass and refractories.

At present, the main method of controlling electricity prices by UK industry is by using power at off-peak hours when national demand is low.

The facility is available to all electricity consumers and, so far, the Electricity Council has been reluctant to go further in "tilting" the tariff in favour of large, continuous consumers.

It recognises, however, that the practice, called load management, is of limited value to some some large-scale plants. It is therefore considering new measures of helping them without appearing to discriminate unduly against other customers.

Leading underwriter expelled by Lloyd's after Fidentia probe

BY JOHN MOORE, CITY CORRESPONDENT

THE RULING Council of the Lloyd's insurance market yesterday expelled one of its leading underwriters after allegations and disciplinary hearings of his involvement with an offshore Bermuda-based insurance company.

In the first important disciplinary case that Lloyd's has completed since a wave of scandals hit the market durings 1982, Lloyd's has confirmed the penalties of a disciplinary committee that said that Mr Raymond Brooks should be "excluded from the membership of Lloyd's and that his business partner, Mr Terence Dooley, should not be allowed to transact insurance business in the market for a period of one year and nine months.

The Lloyd's council has ordered that Mr Brooks and Mr Dooley should pay £39,688 and £12,153 respectively to meet the cost of the market's disciplinary proceedings.

The Lloyd's authorities found that Mr Raymond Brooks and Mr Terence Dooley, who looked after the affairs of more than 700 underwritting members of Lloyd's, had arranged business with the Fidentia Marine Insurance Company of Bermuda, which they both controlled, to provide financial benefit to Fidentia at the expense of the underwriting members whose affairs they supervised.

Investigators at Lloyd's established that Fidentia gained a net £6.2m, largely through business channelled to it from insurance syndicates into which the underwriting members were grouped. No disclosure of the conflict of interest was made to the underwriting members.

As Lloyd's completed its disciplinary proceedings, a committee representing 280 of the underwriting members of Lloyd's syndicates under the management of Mr Brooks and Mr Dooley wrote to all past and present members of the Brooks and Dooley syndicates to see whether there was enough support for legal action against the two men and their business interests in an effort to recover the £6.2m.

The committee, chaired by Mr Mark Farrer, of Farrer and Co, the solicitors who act for the Queen, believe that about 1,000 underwriting members of Lloyd's could be affected by the troubles surrounding the so-called Fidentia affair. They are seeking to establish a £250,000 fighting fund to mount possible legal action.

Although the committee was recently in talks with the underwriting agency run by Mr Brooks and Mr Dooley to obtain a compromise solution, the indicated offer was regarded as unsatisfactory.

Mr Farrer, a member of Lloyd's, said yesterday that Mr Brooks and Mr Dooley had not realised "that trust law reached into Lloyd's. They did not realise that they were not free to deal with the money in the way that they did. They made secret profits which were not theirs to make."

Johnson Matthey to lose top director

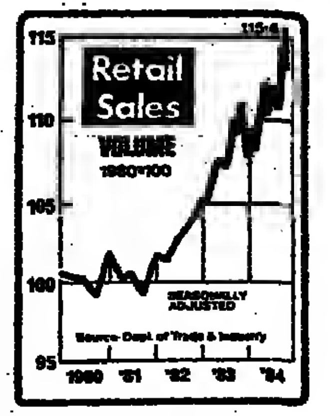
BY RAY MAUGHAN

DR JAMES HUGHES is to retire as managing director of Johnson Matthey, the refining and speciality chemicals group now in the middle of a financial reconstruction.

His resignation has been given for personal reasons and will take effect from the end of the year. The decision is understood to have come as a surprise to the rest of the board, which is headed by Mr Neil Clarke, chief executive of Johnson Matthey's 27.9 per cent shareholder, Charter Consolidated.

Dr Hughes joined Johnson Matthey in its research and development department in 1963. He was appointed managing director and chief executive officer in July last year.

Mr Joe Stevenson, responsible for the group's U.S. operations and its manufacturing worldwide, has agreed to act as managing director. Mr Gordon Thorburn continues as finance director.



Retail spending at peak

By Philip Stephens and David Churchill

SPENDING in the shops rose to a new record last month, and retailers appear confident of another surge in sales in the run-up to Christmas.

The Department of Trade and Industry said yesterday that the volume of retail sales rose by 1.7 per cent in November, taking the level to 4 per cent above the same month in 1983.

That sharp increase in sales, which was foreshadowed in the recent Confederation of British Industry-FT survey of the distributive trades, followed a slight dip in October after the previous record in September.

Government officials believe that the extent of the rise in sales in November may have been slightly exaggerated by shortcomings in the seasonal adjustments, but the figures none the less underline the present buoyancy of consumer spending.

Over the three months to November retail business was about 2.5 per cent higher than in the previous three months and nearly 4 per cent above that in the corresponding period last year.

The Treasury expects the growth in consumer spending to accelerate next year as real disposable incomes continue to rise and the effect on spending of the miners' strike is reversed.

Much of the increased business appears still to be financed on credit. The United Association for the Protection of Trade, the largest credit information agency in the UK, reports that applications for credit by consumers rose by 3 per cent in November compared with October.

Statoil seeks stake in UK N. Sea sector

BY DOMINIC LAWSON

STATOIL, the Norwegian state oil company, is preparing bids for exploration acreage and oil production in the UK sector of the North Sea. Statoil has until now been confined to exploration and production in Norwegian waters.

Statoil will next week join British Petroleum (BP) in submitting a bid for North Sea Block 29/13b, on offer in the ninth round of UK oil and gas licences which closes on December 17. The agreement between the two companies is that BP will operate and have 70 per cent of the licence, with Statoil holding the rest of the equity.

The Norwegian company had also been involved in discussions with Britoil and Atlantic Richfield of the U.S., but has managed to reach agreement on only one licence group.

The BP/Statoil proposal is for a block only a few miles south of an oil discovery made last year by Premier Consolidated Oilfields, the UK oil company.

To finance its UK investments in a tax-efficient way, Statoil intends to acquire oil production from a North Sea oilfield. It has already been involved in discussions with Occidental, the U.S. oil company, to acquire a stake in the prolific Piper oilfield. Occidental this year sold 15 per cent of the North Sea Claymore field to a total of 12 oil companies.

The North Sea tax laws allow a company to offset all its UK exploration and development costs against the petroleum revenue tax payable on its North Sea production. Statoil is therefore also considering a deal in which it would swap some of its interests in the Norwegian sector of the Murchison oilfield, for an interest in that part of the field which lies in UK waters.

Statoil said it aspired to becoming an operator in the UK sector, and was also interested in exploring west of Shetland, as well as in the North Sea, but that such ambitions would have to wait until subsequent UK licensing rounds.

Because of changes imposed by the Norwegian Government, Statoil will in future have to arrange its own financing of its oil development interests. As a result, Statoil said, it would next year be raising about NKr 4bn ($454m) of which NKr 1.5bn would be raised in the international capital markets, including London.

Air inquiry clearance

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE OFFICE of Fair Trading (OFT) will be able to investigate anti-competitive behaviour in the airline industry as a result of new powers being conferred by the Government.

Those were foreshadowed recently in the Government's response to earlier recommendations by the Civil Aviation Authority on the future regulation of civil aviation.

Under the new powers, announced yesterday, the Director-General of Fair Trading will, from January 1, be able to study, and if necessary refer to the Monopolies Commission, anti-competitive practices relating to international charter flights, and ask the commission to study monopolies in domestic and international air transport.

The aim is to prevent unfair behaviour by any one significant airline or group that, because of its size, might dominate the market to the detriment of other, smaller, operators.

In the debate, last summer, on future civil aviation regulation, the fear was frequently expressed that British Airways (BA), and its holiday subsidiary, British Airtours, once privatised might use their dominant market power to stifle, if not eliminate, small operators.

The independents' main fear was that the BA group, on its scheduled and holiday charter flights, could manipulate the market in its favour by offering fares that were "predatory" – unfair – and thus deprive the independents, including the specialist holiday operators, of business.

Kuwait attacks British oil plan

By Richard Johns

PROSPECTIVE changes in the UK oil pricing system were condemned last night by Sheikh Ali Khalifa al Sabah, Kuwait Minister of Finance and Oil, as "a disaster in the sense that it sets the stage for a price war which Britain can ill afford."

Mr Alick Buchanan-Smith, Britain's Minister of State for Energy, is expected today to officially clarify the Government's views on how to make sales by the British National Oil Corporation, (BNOC) which is responsible for marketing nearly a third of North Sea output, more responsive to downward market pressures. The Government is known to be contemplating a structure which is related to spot market prices.

In the first considered Organisation of Petroleum Exporting Countries (Opec) reaction, the Kuwaiti minister said that the kind of adjustment planned to curb BNOC's mounting losses seemed "designed to forego any responsibility on pricing as they (the Government and BNOC) did on output."

"While such a (spot-related) system looks politically convenient in the short run it could be destructive to the price structure and to the interests especially of high-cost producers," Sheikh Ali Khalifa added.

He expressed confidence in prices over the short-term because of the low level to which commercial oil stocks had been run down.

He declined to give any details of the agreement reached in Kuwait at the weekend by a group of Opec ministers on a revision of the system of Opec differentials. He emphasised, however, that the "essential element" of the proposals to be submitted next week to a full Opec ministerial conference in Geneva would be a regular, quarterly review.

The increasing discrepancy, in terms of demand, between light and heavy Opec crudes has been a big cause of instability for the market. The Kuwait meeting, chaired by Sheikh Ahmed Zaki Yamani, Saudi Minister of Oil, decided to recommend that the price of Arabian Light, Opec reference crude, should remain unchanged at $29 a barrel.

Opec accord in doubt, Page 4; Crisis at BNOC, Page 18; See Lex, Page 20

British tax regime said to offer haven for overseas companies

BY PHILIP STEPHENS

BRITAIN'S company tax regime is among the most favourable of any developed nation, according to a report published today. It says there is considerable scope for overseas companies to use the UK as a "tax haven."

The report, The UK as a Tax Haven, published by the Economist Intelligence Unit, says British tax law gives substantial advantages to companies operating within the country and those using it simply as a tax base.

For the latter group, the UK is as good or better than traditional tax havens such as the Cayman Islands and Luxembourg.

Under British law, a company set up in the UK with non-resident status is free of all liability to UK tax on overseas earnings as long as it has its management and control outside of the UK, the report says.

Such companies may also take advantage of Britain's huge network of taxation agreements with other countries, allowing them to reduce or eliminate tax on dividend, royalty and other types of payment between countries.

The report argues that the tax regime applied to companies doing business in Britain, whether domestic or foreign, is also among the most advantageous in the industrialised world.

Corporation tax is relatively low, despite the elimination of some capital allowances in this year's budget, while there are no state or municipal taxes on profits and there are large tax reliefs on inheritance.

That regime, the report says, is coupled with a wide range of direct government incentives such as cheap loans, grants, state-owned factories and employment subsidies.

It adds that apart from the intentional incentives designed to stimulate industry, many more have arisen through the inventiveness of tax advisers in finding advantages not envisaged by the Government.

Laura Ashley rejects Netherlands project

BY ROBIN REEVES, WELSH CORRESPONDENT

BRITISH industrial aid has beaten off stiff Dutch competition for a £7m expansion project by the Laura Ashley fashion and design group.

Mr John James, the group's managing director, announced yesterday that the company had decided to go ahead with a new textiles printing plant at Newtown, Powys – a few miles from its Carno headquarters in Mid-Wales – rather than in the Netherlands.

Although the UK incentives did not quite match a £2.3m offer from the Dutch Government, "it was near enough to tip the balance" he said.

The new plant will increase the group's textile and wallpaper finishing capacity by some 50 per cent.

Mr James said that as well as the financial aid eventually offered by the UK Government – after the threat of the Dutch move was publicised – a significant influence had been the promise of very rapid construction of a 12,000 sq m factory, plus infrastructure, by Mid-Wales Development (MWD), the region's economic promotion agency.

MWD would be starting work in January, making it possible to meet the company's deadline for commissioning of the plant at the end of 1986.

Mr James disclosed that a last-minute offer of even more aid from the Netherlands had been made at the end of last week. That was rejected after it became clear that it would be tied to equity participation in Laura Ashley by the Dutch authorities.

The threat of the project's going to the Netherlands arose primarily from Mid-Wales's loss of assisted-area status in the 1979–1982 round of regional-aid cuts.

The Department of Trade and Industry has overcome the difficulty by offering maximum assistance under Section 8 of the 1972 Industry Act, providing for aid outside assisted areas for "internationally mobile projects." The Welsh Office has also given generous selective financial assistance under the Act towards an additional sewing factory, which the Laura Ashley group is to establish in North Wales at the same time.

The location of the North Wales factory has still to be decided, but, between them, the two projects will create about 500 new jobs.

Laura Ashley has grown in the past two decades from a husband-and-wife team into an internationally famous business

Dixons unseats Curry family in boardroom

By Charles Batchelor

DIXONS, the electrical retailer, has removed all six Curry family members of the Currys Group board just five days after announcing the success of its bitterly contested £248m takeover bid. It has paid them compensation totalling up to £400,000.

The Dixons move brings to an end 100 years of Curry family control, although dozens of family members are still employed at line management level and lower down, Mr Stanley Kalms, Dixons' chairman, said.

There are no plans to ask any of those people to step down. "We hope most of them will stay," Mr Kalms added. "We do not have the right to ask them to leave because they are members of the Curry family; they will be judged on their performance."

In the early stages of its bid battle, Dixons said there would be a place in the merged group for Curry family members who wanted to stay and who met Dixons' standards.

As the contest developed to its climax at a two-day High Court hearing last week, however, it became clear that senior Currys executives were unlikely to stay if Mr Kalms was victorious.

Defence deal with U.S. may end arms purchase dispute

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

BRITISH and U.S. defence officials will sign a contract on Thursday which is expected to bring a temporary end, at least, to one of the longest-running disputes between the two countries over the purchase of defence equipment.

The U.S. Army has agreed to buy initial quantities of the 81mm mortar, which is made by the state-owned Royal Ordnance Factories (ROF) and has been in service with the British Army for over 20 years.

The contract, which will be signed in London by Mr Adam Butler, a Defence Minister, and Dr Jay Sculley, U.S. Assistant Secretary of the Army, is worth £2.1m. According to a statement from the ROF, the contract might lead to future sales worth "several hundred million pounds."

Much of the work on the initial contract will carried out at the ROF's Nottingham and Glascoed, Wales, factories. The U.S. Army has a requirement for several thousand mortars and about 2m mortal bombs, mainly for use by its Rapid Deployment Force.

A contract for the work would be of vital importance to the ROF, which, in the run-up to its privatisation, is shedding nearly 2,000 of its 18,000 workforce.

There was some scepticism last night in defence circles as to whether Thursday's small deal would be followed by a larger one, principally because of the history of the project. Britain was invited to bid for the U.S. mortar requirement in 1975, after the signature of a memorandum of understanding with the U.S. that was designed to improve the so-called two-way street in defence trade between the U.S. and its European Nato allies.

Although the mortar was already in service with many armies around the world, the U.S. Army spent nearly nine years re-testing and developing the weapon.

The delay caused bitterness in Whitehall and there are fears that a large contract might fall prey to the sort of nationalistic pressures from the U.S. Army and from Congress that delayed the first.

Government cuts back export credit schemes

BY CHRISTIAN TYLER, TRADE EDITOR

THE GOVERNMENT is expected shortly to announce further belt-tightening measures at the Export Credits Guarantee Department (ECGD).

Mr Paul Channon, Trade Minister, is believed to have decided to phase out two schemes under which short-term export credit given by banks to the UK customers is guaranteed by the ECGD.

One scheme guarantees repayment of loans of under two years extended to exporters against promissory notes and bills of exchange, the other underwrites credit of up to six months on companies' open account trading.

The insurance of trade between UK companies and their own subsidiaries abroad may also cease.

Short-term bank guarantees, used mainly by small exporters, have become less popular over the years. Only about £500m of exports annually are covered in that way and there are some 1,200 policy holders.

The minister has apparently rejected the ECGD's own recommendations on short-term bank guarantees and wants to phase the schemes out over two years.

Last night, however, the ECGD said a review of all the bank guarantee schemes was still in progress and no final decision had been taken. It also denied that any announcement to parliament was imminent.

Earlier this week the ECGD told customers it was raising considerably the cost of another of its facilities: the insurance of exchange-rate risks faced by large contractors when tendering for overseas projects in foreign currencies.

It is also expected to modify or scrap cover for trade in which British companies are involved but which takes place entirely outside the UK.

TECHNOLOGY

EDITED BY ALAN CANE

U.S. CONGRESS REPORT SAYS LOW COST OPTIONS SHOULD BE CONSIDERED

New ways to build space stations

BY PETER MARSH

AMERICAN SPACE engineers have failed to take account of low-cost technology alternatives in pursuing plans for a grandiose orbiting outpost for the 1990s, according to a watchdog body of the U.S. Congress.

The Office of Technology Assessment (OTA) says in a recent report* that the National Aeronautics and Space Administration has placed all its weight behind securing approval for a large, expensive space station instead of considering cheaper ways to achieve equivalent goals.

Nasa obtained approval from President Reagan in January for an $8bn manned station to enter orbit by 1992. Western Europe, Japan and Canada are considering whether to join the project, perhaps by building extra space units that could be added to a central U.S. core.

The space station will house docking modules for satellites and laboratories for work in gravity free conditions, for instance in materials processing and biological studies. It will also act as a platform for studies of the Earth's surface and other bodies of the solar system.

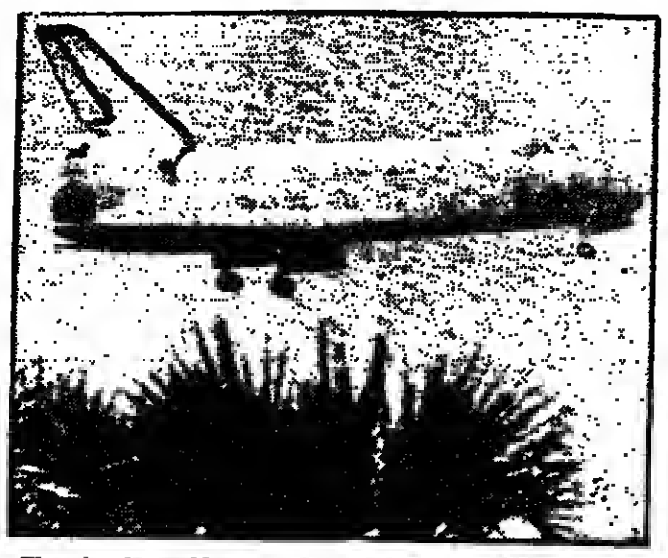
The various modules would be linked, perhaps in a star-shaped structure, to a central core containing key elements such as power systems, main computers and accommodation units.

According to the OTA, Nasa has been over ambitious in opting for an advanced-technology base that will have many applications. "As a consequence, it (the space station) must contain a large number of sophisticated and costly elements and there is considerable difficulty in setting objective acquisition priorities among them and acquisition schedules for all of them."

A better route, the report suggests, would be for engineers to identify specific goals that are required from work in space. These goals could then be achieved in stages with the aid of technical solutions that have already been developed.

"As much as is reasonably possible, already developed, tested and paid-for technology would be used to achieve an adequate initial operating capability, with development of new technology undertaken only where demonstrably required to lower overall costs of ownership."

The OTA researchers say the cost of establishing an initial operating base using mainly developed technologies could be one third to a quarter of the $8bn budget envisaged for the space station. Other elements could then be added incrementally as required.



The shuttle could carry lower priced technology to build tomorrow's space sations if Nasa takes ammount of a Congress watchdok report.

According to the report, Nasa could attempt to reduce costs in other ways, for instance by obtaining greater participation by other countries which would introduce their own technical solutions.

The report lists the complex technical issues that must be tackled in designing a manned orbiting base along the lines envisaged by Nasa:

● Data management. Computers and other electronic systems would have to keep track of communications traffic between the station, ground bases and other orbiting elements such as space shuttles and crew members on space walks.

● Communications. A number of communications links would be required using portions of the electromagnetic spectrum that do not interfere with other users. Systems would be needed to keep track of loose space debris such as tools and for navigation using interferometry or laser-radar (lidar).

● Attitude control. To communicate with the ground and other space elements, the station must be kept in a stable position in space. Any tumbling or uneven movement could cause structural damage to the modules linked in the orbiting base. Sensors connected to computers would be required to detect positional changes and to fire small thrusters to preserve stability.

● Power. A space station would be a major consumer of power, requiring perhaps several hundred kilowatts to satisfy the requirements of laboratory and scientific instruments plus the systems to keep the base in operation. To provide enough power, scientists would have to investigate new forms of solar arrays as well as on-board energy systems such as nickel-hydrogen batteries and fuel cells.

● Thermal energy management. Space systems develop much surplus heat which has to be irradiated safely out into the cosmos through devices such as radiators. For a large body, such as a space station, this represents a big technical challenge. A heat-rejection system based on the radiator used in the shuttle would require 6 km of tubing and more than 75 valves and other technical segments that carry away heat with fluids.

● Propulsion. No one expects the space station to move very far in space under its own propulsion system. It would stay for most of the time in one orbit a few hundred kilometres above the earth. But small thrusters would be required for attitude control and to make small changes in orbit. New systems based on cryogenic oxygen and hydrogen fuel may be required.

● Life support. To keep a crew of up to eight people happy and in good health may need a lot of technical development, for instance in food storage and preparation.

The OTA has proposed alternative ways to establish a prolonged manned presence in space with less complex technical solutions:

● Extended shuttle missions. The space shuttle can stay in space for no more than 10 days, mainly because it carries insufficient fuel cells to provide power for longer missions. Engineers could convert the shuttle fleet to carry more cells, which would add to operating costs because of the greater weight. To transform one shuttle in this way would cost $100m-$200m. Alternatively, scientists could add solar-arrays. Other changes required to equip a shuttle for long-duration scientific missions of up to 60 days would entail adaptations to its accommodation space and servicing elements. A fully adapted shuttle could cost $2bn.

● Spacelab development. Spacelab is a reusable laboratory built by the European Space Agency (ESA) for shuttle flights. It is carried in orbit inside the shuttle's cargo bay. Engineers could develop it for longer flights, either as part of the shuttle structure or as an independent "free flyer." The latter, more ambitious route would cost $1bn.

● Minimum-cost space station. Nasa's own engineers, at the organisation's Marshall Space Flight Centre in Alabama, have produced a design for a cheap version of a space station based on Spacelab modules that would cost $2bn-$2.5bn.

● Application of shuttle external tank. The main propellant tank of a shuttle is normally jettisoned after the fuel in its has been consumed. Various studies, one from Hughes Aircraft, have proposed using the empty modules as elements of a manned space station.

● Unmanned platforms. Some scientists question the need for people to be aboard a space station. Unmanned platforms could carry instruments for scientific studies and observation of the earth.

* *Civilion Space Stotions and the U.S. Future in Space, Office of Technology Assessment, Washington DC.*

Boom time for interactive video

Video & Film

BY JOHN CHITTOCK

THE VIDEO boom of the last four years was prophesied, by a few dedicated believers, over 10 years ago. Now it is levelling out. Many missed the bandwagon through early caution or sheer disbelief, but the good news for them is that another video boom is gathering momentum and could be highly prifitable.

The bad news is that a surprising number of new companies have already spotted this particular bonanza and it is beyond the intellectual grasp of the failed car dealers and scrap merchants who gave video such a seamy image.

The new boom is not concerned with Hollywood movies, poroography or pirated cassettes but with interactive video—the technology which makes pictures (still or moving) as accessible as printed words in a book. And like a book, allows the viewer to "flick" through its pages, browsing; or to look up items by specific indexing but at a much quicker speed than turning pages.

The classic example, recently featured in this column, is the forthcoming BBC Domesday project. This, like many interactive projects, is based on the video disc and uses a microcomputer to permutate any sequence of image-displays to suit a variety of needs. It will also generate additional captions (as videotex) to supplement those on the disc. The computer-stored information not only extends the capacity of the disc but can be kept as a separate level of up-datable information.

The arrival of the interactive video boom is manifesting itself in a variety of ways, and surfaced very publicly at the recently held Interactive Technology Briefing in London. This conference featured the first Interactive Video Disc Awards, sponsored by Philips, and assembled the most impressive array yet seen in Britain of hardware systems, programmes, producers and users.

The two front-running applications for interactive video are training and public information displays, especially for point-of-sale purposes. The latter is now appearing in a variety of locations—estate agents, Mothercare shops, some Co-op stores, even a chain of newsagents who are planning a 24-hour display by installing touch-sensitive keypads behind the glass of the shop windows—activated and controlled by the passer-by who has access (via the keypad) to any parts of the disc which are of interest.

One of the commended entries in the Philips Awards was an example of point-of-sale, ironically using Thorn EMI's rival VHD disc system. Made for Austin-Rover, the programme was launched at this year's Motor Show in Birmingham. A conventional opening sequence featuring Denis Norden invites the viewer to decide what kind of car he or she wants—viz price range, hatchback or boot, high performance, low petrol consumption or what. In response (via the keypad) to such questions, the viewer is led step-by-step into other parts of the disc until finally arriving at a sales demonstration of the Austin-Rover model which conforms to the chosen parameters.

The Austin-Rover disc display will be used by selected dealers in Britain—one of various opportunities now emerging for the public to acquaint themselves with interactive video. Another, and one of the award winners in the disc competition, is IBM's demonstration to promote its personal computer. This interactive programme uses a full box of tricks, including a touch-screen TV monitor so that customers can call up any part of the programme merely by touching the appropriate word or picture displayed on the screen.

The potential IBM customer can use the programme to explore the basic concepts of computing, find out specific information on hardware and software, even have access to a visual dictionary. The programme has been produced in eight languages and will be used by computer dealers in 22 countries.

The Open University is another convert to interactive video and scooped top honours in the awards for its so-called "Teddy Bear" disc. Made for use in a materials science tutorial, it places the student in the role of an expert witness in a court case—which all revolves around defective eyes supplied to a teddy bear manufacturer. The "witness" has the opportunity, through the disc, to call up all manner of visual information—even laboratory tests which provide quantitative measurements of metal fatigue.

The string of applications is growing daily. Lloyds Bank is due to instal a network of video disc players in branches throughout the country, and has already made programmea for training cashiers and improving the communication skills of banking staff. The Manpower Services Commission is testing its own video disc project at 42 Jobcentres—a programme with four parts: Getting You Working Again, Health Problems and Disability, Working for Yourself, and Successful Job Hunting. Here could be the ideal way of reviving interest for those who have lost hope, because all experience suggests that interactive video can involve the viewer in a strangely personal way; the Inland Revenue's Taxfax disc, which features a young lady who helps the user with income tax queries, has actually evoked a spoken "thank you". from members of the public observed using it.

In this new market, Thorn EMI—supporting the JVC VHD video disc—is struggling. Although VHD is being used in some of these applications the optical disc is emerging a clear favourite. But one morsel of good news for VHD last week was the unveiling of a video disc jukebox—a leisure market venture by Taitel Electronics and Thorn EMI.

At least interactive video is thriving in Britain. The organisers of the recent London conference — EPIC Industrial Communications—are now one of the world leaders in the technology. Many other British companies have been set up to exploit the market, and the Department of Trade and Industry is giving vigorous support (and money) to sustain a British lead. Only the US, and to a lesser extent France, are serious competitors so far.

Interactive video is also the perfect trigger to set off consumer interest in the video disc. At last the public now has a way of discovering how the video disc is different and can provide a totally new audio-visual experience.

Process ovens

Energy savings

THE TEXTILE and other industries could save energy with an air curtain system developed by the Shirley Institute. The Department of Industry, British Technology Group and European Community funded the system which is for continuous process ovens.

BTG has licensed Sir James Farmer Norton & Co to manufacture and sell the air curtain. The original equipment was developed for "stenters" which opens stretched finished fabrics. A double air curtain ensures that nothing touches the cloth while in the oven. A microprocessor controls the air flow within the oven maintaining the correct pressure differential.

Robots

Injection moulding

PRESSFLOW of Willenhall, West Midlands, has developed Micron G, a robot primarily for use with the smaller sizes of injection moulding machine in the plastics industry.

Micron G works primarily in a vertical plan with boundary dimensions of 700 mm (vertical) and 1,200 mm horizontally. A small sideways motion of 25 mm is provided.

The jaw or gripper is mounted on a pneumatically driven vertical-motion head which moves horizontally on rails, also by pneumatic power.

The complete assembly is designed for bolting direct to the upper surface of the stationary platen on the injection machine, but can be supplied for other locatilons. More on 0902 726671.

FINANCIAL TIMES SURVEY
Tuesday December 11 1984

The oil is flowing from the UK's latest offshore field. Central to the project is an experimental £1bn floating platform whose use charts the way for much deeper exploration

HUTTON FIELD

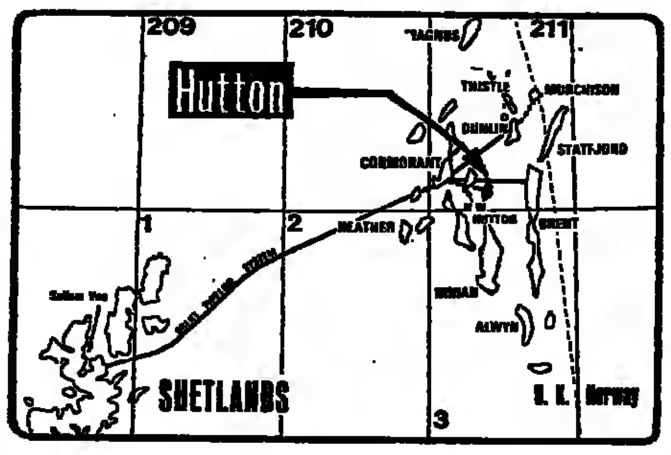
Future technology moves closer

By Dominic Lawson

THE HUTTON oilfield, 90 miles north east of Shetland, is the latest of the UK's offshore oilfields to come on stream, producing 90,000 barrels a day of crude oil. The total recoverable reserves of 200m barrels, lying 9,700 feet below the sea bed, are modest by the standards of earlier North Sea oil developments. Yet, the Hutton field development has been as closely monitored and discussed as any of its predecessors.

This is because of the unique development method chosen by the field's operator, Conoco, the U.S. oil company subsidiary of Du Pont, the world's largeat chemical company. Conoco bas developed the field by using the revolutionary tension leg platform (TLP). Unlike conventional platforms, which sit on the sea bed, the TLP is a floating facility moored vertically to the sea bed by tubular steel tethers. Buoyancy in the platforms's hull creates an upward force which bolds the legs under tension in all weather conditions.

The earliest investigation of the TLP concept was probably that carried out by German scientists during the second world war, according to Mr Tom Marr, Conoco's projects manager, and the man in charge of the Hutton TLP project. The Germans had the idea that such a tethered platform positioned some way off the French coast, would give them an early warning of an invasion.



However, Conoco's introduction to the concept was in 1971-72 when 13 of the world's biggest oil companies launched a joint investigation into the means of developing oilfields in unprecedentedly deep waters. Rudimentary models of the TLP were tested as part of that programme, and clearly made a big impact on Conoco's thinking.

The Hutton field was discovered as long ago as 1972, and Mr Marr recalls that he made a presentation of a possible development of the field to the Conoco main board at the end of 1974.

But, at that time North Sea construction costs, in the words of Mr Marr "went crazy." U.S. interest rates were 18 per cent. Conoco was already deeply committed to the development of the giant Norwegian North Sea Statfjord field, and, to cap it all, oil prices were $14 a barrel. The board asked "what bappens to Hutton if the oil price falls to $7 a barrel?" Mr Marr recalls.

So, Hutton bad to wait, and Conoco's first UK North Sea oil field development was the Murchison field, discovered in 1975. Murchison's reserves are twice those of Hutton, and the reservoir has none of Hutton's faulted complexity. But, the development of Murchison, on time and within budget, clearly represented a boost to the chances of persuading Conoco's main board to approve future development of the neglected Hutton field.

By the end of 1976, the Conoco board bad come round to the idea of developing Hutton by means of the tension leg platform. In fact, the field stands in only 485 feet of water. This is deep, but still well within the range of conventional platform technology, as British Petroleum's Magnus field development bas shown.

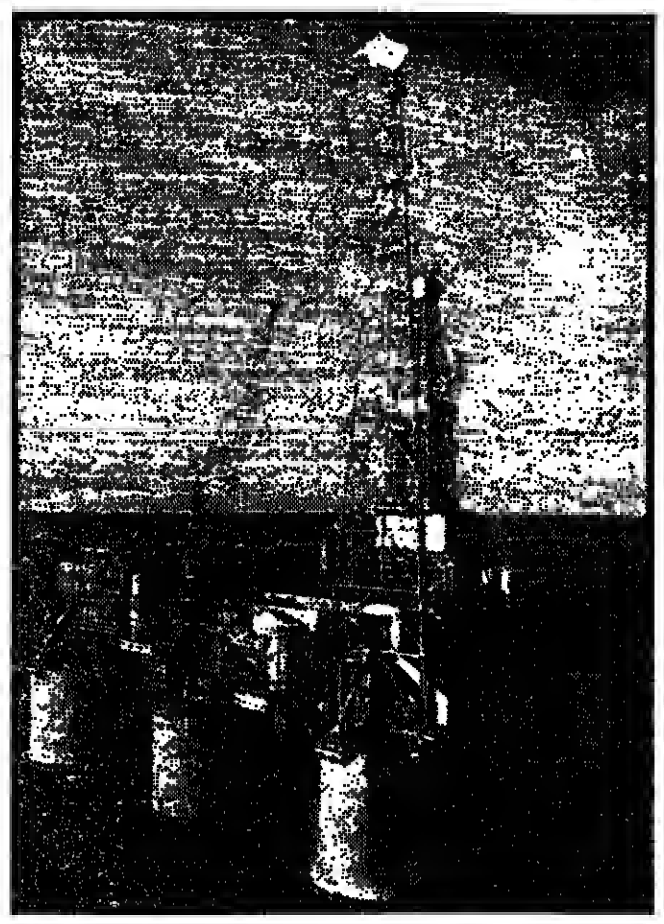
But, Conoco was swayed by long term considerations, which went beyond the Hutton project itself. The British Government, then as now, was preparing to license areas of unprecedentedly deep waters in the North Sea. If developments in those murky depths were to be assessed, it would make best sense for any would-be developer to gain a practical experieoce of the type of technology that might be required.

For the other major partners in the Hutton field — Britoil, Gulf and Amoco—this strategic thinking may well also have been a factor. But for some of the other smaller partners with less ambitious designs for the future, there must have been severe doubts about embarking on a completely untried and experimental method of development, wben conventional methods would bave probably led to a satisfactory rate of return.

Outvoted

Mr Marr admits frankly: "I don't see how the smaller partners could bave been anything other than worried. They were outvoted, and were dragged into it."

The TLP plan was submitted to the UK Energy Department in January 1980, and approval was received in August of that year.



Hutton's tension leg platform. Though more expensive to build than a normal fixed platform, the design minimised the need for major assembly work in the exposed North Sea.

Mr Marr is equally candid about the outcome. At a total cost of about £1bn, the Hutton TLP project was probably about 15 per cent more expensive than would have been a traditional fixed platform development. He concludes: "If we were to do another development in 485 feet of water, I'm sure our partners might want a fixed structure, but it's not an economic tragedy by any stretch of the imagination." Moreover, Mr Marr argues that, if it were done again, Conoco could cut the cost by about 15 per cent.

Starting from scratch, Conoco aod Bechtel (which took over the day-to-day administration of the project) where confronted with the problems of prototype design. The flex joint for the 16 high tension steel legs was developed after discarding no fewer than 18 prototypes.

Says Mr Marr: "I am afraid we were proved over-optimistic. There was more prototype development than we thougbt and prototype development can cost as much as five times more than off-the-shelf technology."

In the design stages of the project the two key firms were Brown and Root, and VO Offsbore. During this phase, the companies made available 800 staff for work on the Hutton project.

The next stage—construction and fabrication—was allotted to UK yards, with the bull fabrication going to Highland Fabricators at Nigg Bay, and the deck fabrication to McDermott's yard at nearby Ardersier.

Cracks which appeared in the steel under fabrication at Nigg caused a delay of eight months. Says Mr Marr: "We disagree with Highland Fabricators about wbetber the cracks were caused by design or fabrication. We certainly didn't design the cracks. We argue that it was a welding problem." Mr Marr insists, bowever, that Conoco and Highland Fabricators have settled their differences, and that Conoco would be perfectly happy to place future fabrication contracts with Highland Fabricators and McDermotts.

However, much of the lost time at Nigg Bay was made up by the short length of time between completion of fabrication and first oil.

One of the key features of the TLP is that most of the construction and hook up work can be completed in sheltered insbore waters. This minimised the need for major assembly operations in exposed North Sea conditions after the platform is in place. The TLP began production only 22 days after being installed over the Hutton field and the period between fabrication and production was under three months, a two-month gain on the time allotted to the operation.

Mr Marr points out that the very delays in fabrication themselves meant that the project team was more than usually motivated and well prepared for the long awaited final stages of the development. In the end the Hutton field was only six months bebind the schedule set in 1980.

The major cost saving of the TLP on the Hutton project will not become fully apparent until, after 20 years, when the field is fully depleted. Abaodonment of the giant fixed platforms in the North Sea will cost the oil companies enormous sums of money, even if the Government does not insist on removal down to the sea bed itself. But, according to Mr Marr, abandonment of the TLP will cost only about 10 per cent of the operation lovolved in dismantling a fixed platform. The TLP will simply be unhooked and towed away.

The Hutton field has shown the viability of the TLP, but the concept will perform best in water depths of over 600 feet, where fixed platforms are likely to be prohibitively expensive for all but the most gigantic oil discoveries. And the TLP concept, at the current state of the art will be good for developments in anything up to 3,000 feet of water, according to Mr Marr.

Depths

Even now Conoco engineers are designing TLP systems for water depths of over 2,000 ft in the Gulf of Mexico. These TLPs will be smaller and lighter than the North Sea trailblazer, but will embody the same concepts. Conoco UK's chairman, Mr Harry Sager, points out that apart from this transatlantic application of the TLP, "we see the development of the TLP as particularly significant in the context of the new frontier areas which are now to be opened up bere in the UK."

However Conoco does not have strong patents on the TLP concept, and there are almost certainly other oil companies set to follow Conoco's lead. Mr Marr concludes: "We have done very little patenting. If I bad designed the first bula-boop I would bave taken out a patent. But there will probably never be more than 100 TLPs built."

From fabrication to production

THE KEY DATES

May 10: Tow out of the 27,000-tonne bull from Nigg Bay to the deep water mating site in the Moray Firth.

May 11: Tow out of the 18,000-tonne deck begins from Inverness Firth.

May 12: Hull ballasted down while the deck section is floated over it. (The hull is then deballasted, lifting the deck clear of its barge.)

May 13-July 7: Hull and deck welded together; platform systems booked up.

July 8: The completed platform starts its 254-mile journey to the Hutton field.

July 12: Connection of the first four tension legs to their seabed moorings begins.

July 13: The platform becomes a TLP proper, when the first leg in each corner is brought into tension, so that the platform is no longer subject to the vertical movement associated with conventional floating structures.

July 15: Installation completed, work starts on the final assembly of the pipeline riser, and linking up of the predrilled wells to the platform's oil production facilities.

August 6: First oil flows, and builds steadily to the planned peak output of around 90,000 b/d within seven weeks.

Tension system perfected by intense work

Design

MARK MEREDITH

THE CONOCO Hutton development has beeo a designer's platform. A floating structure weighing over 47,000 tonnes in a permanent tug of war with the sea bottom has produced a radical set of engineering requirements.

The tension leg platform (TLP) haa also bad to be built to survive the ultimate tempest: the 100-foot waves smashing over the structure — enough to rip huge vessels from their moorings.

The platform is oow a leading runner among several approaches to oil development in waters much deeper than the North Sea. The TLP eliminates the vertical movement of a vessel by in effect dragging a floating structure slightly underwater. Long sets of tethers attached to each coroer of the platform are aocbored to four foundatioo anchor points vertically below. Only a limited amount of lateral movement—16.6 degress is allowed, insufficient to disrupt either drilling or oil production.

Designing a platform to these new specifications took 800 people about 18 months — much more than it would take to design a conventional fixed-leg platform, now common in the UK sector of the North Sea.

Almost twice as many designers worked on Hotton as worked on Conoco's other UK North Sea field, the fixed platform in the Murchison Feild, 30 miles northeast of Hutton.

Much of the design work was familiar: the oil productioo aod gas separation systems, power generation station and instrumentation. Each had its individual refinements.

But the leading edge in design lay in applying the concept of the tensioning system. Like many projects on their first run, there were inevitable problems and sometimes large-scale modifications on the way through.

The model-making induatry rubbed its hands with glee as alteration after alteration was reproduced in scaled-down structures aod working models.

This was a prototype offshore platform and prototypes, as Mr Tom Marr, director and general manager for projects in Conoco UK recalled, invariably cost much more than the off-the-shelf production. This was a point overlooked hy Conoco in its estimates.

There was a constant struggle to keep down weight. By their own admission, the designers over-designed and over-compensated where aspects of fatigue could not he estimated. But thia usually meant using heavier, more rugged materials and hence more weight.

"As it turned out, the most difficult problem we encountered in developing the TLP was that of finding an analytical approacb to the design that would enable us to determine the limitations involved in this seemingly simple concept," explained Mr Buck Curtis, the vice-president of Conoco's Productioo Engioeering Services, in the August edition of "Ocean Industry."

Supervise

Mucb of the overall project supervision was handed over to Bechtel UK leaving Conoco's relatively small Britisb-based team free to supervise.

The same Idea applied to the design contract, thought to be worth between £40m to £50m aod awarded to Brown and Root UK and Vickers Offshore. While these two companies worked out the details, Conoco engineers were free enough to make sure the applications fitted the overall concept.

The revolutionary work included anchorpoints on the aea bed, the coupling mechanism for the ends of the tethers, the flexible joints allowing limited lateral movement, the tethers themselves and the tensioning system inside the giant hull.

The novelty of the project produced, even according to more cynical members of the engineering fraternity, a camaraderie whicb helped solve running problems quickly.

The work, started back in 1981, pre-dated the latest applications of computer-aided design and the design studios were awash with stencils.

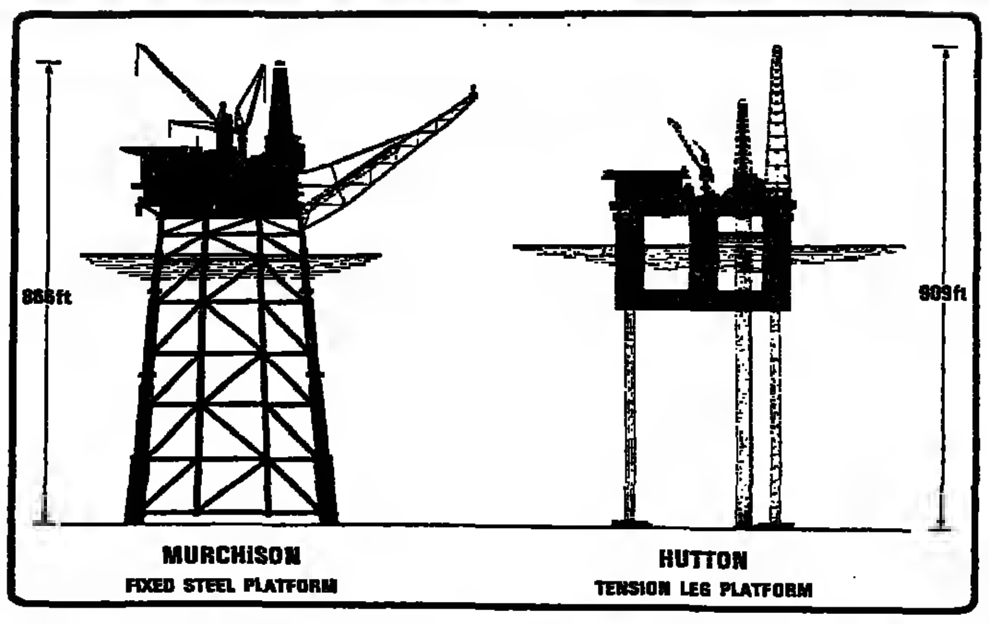
The design contracts left Brown and Root responsible for the deck and the foundations and Vlckers offshore responsible for the hull and tethers. In many aspects the two sides overlapped.

The tethers, steel tubes 10½ ln in diameter in interlocking 31 ft lengths, were a typlcal overdesigned aspect of the TLP. The tether could oot he allowed to fail although the structure was built to allow individual tethers to be withdrawn periodically for inspection or to be replaced.

Whereas the expected life of the Hutton programme was 20 years, the topsides and bull were built to last 40 years. The tethers were built to last 100, according to Brown and Root.

The steel from Sheffield Forgemasters and Japan was not the normal yield of 50,000 lb per sq in, but 115,000 psi.

Some of the biggest headaches were brought on by the flexible joints in each end of the tethers, one at the anchor-point and the other just inside the bottom of the hull. Mr Mick Leece, formerly of V.O. and now with Brown and Root recalled that it was virtually impossible to calculate the performance of the elastomeric bearing of rubber and steel in the joins.



Computers help turn concept into reality

TENSION is designed into Conoco's Hutton platform. It is both its flexibility and its strength—a novel concept in the offshore industry designed for deep water work and prodocing a new set of demands and skills.

The concept of the tension leg platform takes a floating structure and holds it in a partly submerged position on four sets of tethers anchored vertically to the seabed.

Try holding a balloon underwater in your bath to get an idea of the forces at play.

The tethering stops tha vertical movement of the platform and allows a limited amount of horizootal movement—not anough to strain the prodnction pipes carrying oil np from below the sea bed or to disrupt the drilling working on new wells.

Tha completed platform was towed to its location over its pre-drilled wells and held in position by harges. It took water into its ballast tanks to partly submerge the structure while the steel tethers or legs were lowered in interlocking lengths from each corner and fastened into their anchorpoints.

Ballast was then removed or "stripped" taking the tenslon equally on each corner. At that moment — 7.37 am on Friday, July 13—a concept and thousands of drawings became reality. The Hutton platform was in tension. The barges withdrew.

In his control room, Mervin Davey opertes an Argus Ferranti compnter with a battery of displays. His most critical problem is compensating for changes in weight. The tethers must be kept in constant pressure. Any downward movement or compresslon on the 16 tethers must be avoided.

If the drilling derrick is to he moved the computer programme will calculate the water displacement needed to adjust for ao object weighing several tonnes being slid a few feet across the deck. Davey finds the computer's suggestion can often be more simply executed by man.

Each production well coming oo stream adds to the weight on the platform. The marine cootrol room will calculate the amount of water ballast which must be pumped ont to maintain the npward pressure on the tethers.

Load cells, located on tethers where they join the hull in a sophisticated bearing, give a reading of the pressure on each coroer.

Display terminals give a regular scan of the movement of the platform off centre which is also partly a fnnction of the weight. The previous weekend a 68-knot wind had moved the platform 4.5 metres off ceotre—well within its tolerances to maintain both drilling and prodnction operations—but still the biggest lurch in the life of the TLP

Solutions sought for even more hostile waters

THE NEXT wave of offshore exploration in deeper waters has produced a race among offshore designers for the machinery to produce in, above all, survive, the rigours of waters even less friendly than the North Sea.

The tension leg platform (TLP) now operating in the Hutton Field is a leading contender in the search for oil that could lie below the sea bed at depths of 2,000 feet or more.

Compared to these depths in parts of the western Atlantic, the North Sea is relatively shallow. Most of the 30 or more steel or coocrete platforms in the UK sector of the North Sea are io depths of 300 to 400 feet. BP's Magnus Platform was an exceptional achievement in 600 feet of water.

The types of fixed structures oow common to the North Sea would be impractical and probably vulnerable in very deep waters. But this baa not stopped oil companies looking at other forms of surface-operated structures attached to the seabed.

Exxon has erected a 1,115 ft tall guyed tower in the Gulf of Mexico—a single column attached to the well bead and held upright by anchorlines spread out rather like the guy ropes of a tent.

Another option in the race is the sea-bed production system. The whole production system straddles one or more underground wells. Chevron have an underwater system operating at 2,500 feet in the Mediterranean and Shell's South Cormorant field io the North Sea uses an underwater manifold to operate satellite wells.

Both Chevron and Shell's system need a fixed platform nearby to handle the controls for the underwater system. Future systems could operate with flexible production lines and controls rising to a floating structure on the surface where tankers could moor to take on loads of crude oil.

A consortium including McAlpine has worked on a subsea concrete habitat but this idea has not yet found any takers among the oil companies.

"Conoco did not consider subsea systems," says Mr Tom Marr, director and general manager, projects for Conoco UK. "They were not advanced enough to be reliable. We wanted another solution."

Some engineers have looked at the potential for semi-submersible craft. These use long anchor lines and dynamic positioning equipment such as

Future production systems

MARK MEREDITH

thruster propellers to keep the vessel stable. They are largely used for drilling although Hamilton Brothers oil company have converted a semi-submersible for offshore production in the Argyll field of the North Sea. These semi-submersibles have the problem that they must stop their drilling or detach their production pipe in the teeth of severe storms.

Tha TLP is the third approach, in effect providing a semi-submersible structure with the stability to work at great depths.

The idea was considered in World War Two by the Germans and the Americans. The latter bad the idea of an early warning station in the deep waters off the U.S. West Coast in case of attack from Japanese aircraft. A 1930 patent for an offshore aerodrome, similar to the TLP, was taken out but this floating airfield was never built.

In the 1970s the U.S. oil companies first looked seriously at the problem of deep water production and a consortium of 16 companies, including Conoco, built a one-third scale model of an offshore platform using the tension leg concept.

It was a three-sided affair, but incorporated the notion of vertical tethers on the corner anchored to the sea bed and holding the buoyant platform partly submerged to provide no vertical and only limited horizontal movement.

Conoco, like its American competitors, sat on the idea for some time. The Hutton field had been discovered in 1973 but was not deemed commercially exploitable. But in the late seventies the idea came up again and Conoco weighed up the options: Hutton was shallow enough for a conventional structure but the next generation of development would be in deep water. Experience was needed.

BP has also looked into the tension leg idea with its tension-buoyed platform (TBP) study, but since then the idea has been on ice.

"In 1979 we concluded we had the answer to the problems and felt in terms of economies and cost the TLP was competitive with fixed structures," says Mr Tom Marr, after the decision to go ahead with a TLP in only 485 feet of water.

The costs in building prototype models for testing cost the Hutton consortium of eight companies led by Conoco some five times more than budgeted. The result, in Mr Marr's words, was a platform with "a lot going for it — a useful tool for the oil industry."

The tension leg platform on Hutton is there for the lifetime of the oilfield, an estimated 20 years. Conoco discount the possibility that, after some years of going through its paces, it will be moved into deeper waters. Yet it still could be moved on after the Hutton field has been depleted.

Although looking like a craft that could be easily unplugged, the TLP is not that flexible. It has been built to stay the course offshore.

There are other problems, too, before the TLP can really move into deep waters. The 16 tethers, fitted to the Hutton TLP would have to be much lighter were they to anchor the structure in greater depths.

Each tether on the TLP weighs 100 tonnes although the combined 1,600 tonne weight is offset underwater to about 1,000 tonnes. Much longer tethers would add considerably to the weight of a platform.

The benefits of the TLP experience will not merely be Conoco's. Its other partners in the Hutton field, Britoil and Gulf which, like Conoco, have a 20 per cent stake, Enterprise Oil, Mobile North Sea, Amerada Hess and Texas Eastern North Sea also acquire much of this new offshore know-how.

For Britoil, in particular, the TLP experience has helped equip them for what they see as special home territory interest in deep waters off the UK coast.

When it pays to ignore the horror stories

Fabrication

JAMES BALL

NOW THAT the Hutton TLP is built and producing, it would be nice to say that everything went smoothly as it progressed from plan to platform. But it did not.

However, the much-publicised problems encountered in building the TLP can now be viewed with the benefit of hindsight. And this perspective throws up a very different version of events than the horror stories focusing on the project just two years ago.

For, whatever happened—and it is by no means clear even today—the problems encountered building the TLP hull led to solutions which more than made up for the time lost; they probably altered radically how future TLPs will be built.

Operator Conoco is reluctant to talk about what went wrong during the fabrication of the TLP, and the yard, which at the time bore the brunt of most of the criticism—Highland Fabricators (Hi-Fab) would not be in a postion to criticise such a major potential client as Conoco even if it wanted to do so.

What should have happened in this: the hull sections, built by HiFab at Nigg and its two subcontractors, Mitsui of Japan and Motherwell Bridge, would be assembled at Nigg for completion in April 1983. Meanwhile the integrated deck—essentially a flat ship, would be constructed nearby at Ardersier by McDermott. Sometime in the summer of 1983 they would be mated and hookup would begin. The accommodation modules, helideck and drilling derrick and equipment would be installed later with an offshore crane.

Also in the summer of 1983, the anchor foundations would arrive from Nissho Iwai in Japan for installation and then the pipeline to nearby NW Hutton would be laid.

Installation of the TLP would take place in the early autumn, hookup would continue over the winter for first oil in the spring of 1984.

In the event, it is arguable that the project ran the risk of delay regardless of problems at HiFab.

It is also arguable that the actual schedule followed—even it was imposed by the problems at HiFab—was better for the project, in the end, than the original one.

In the autumn of 1982, it was widely reported that cracks bad been found in some welds carried out at HiFab. It was not until December that a remedial programme was settled on — because, quite simply, there were no TLP lessons from which to draw solutions — and both welding and inspection procedures were stepped up to the point that in the summer of 1983 tempers frayed and a five-week long strike added further to HiFab's problems.

Arguments

It now appears that welding specialists will argue for some time about the actual problems discovered, but it would be accurate to say that there was a variety of minor defects in welds carried out both at HiFab and at Mitsui, and that the strict remedies, taken to make sure the structure was perfectly sound, probably contained a degree of "overkill." But after tha sinking of the Alexander Kielland and the Ocean Ranger most people in the offshore business would prefer that an untried concept like tbe TLP err on the side of safety.

It is not unusual for an offshore project to encounter difficulties nr even delays. This is especially true of new concepts. But, once a concept has been tried, it is easier to apply the next time around. Thus, the building of a semi-submersible drilling rig is not tha challenge it once was.

But, similar as the TLP hull is to a semi-submersible drilling rig, the TLP is fundamentally different. A rig can go into port for regular inspection and repair. A TLP has to be built to stay on site offshore for 20 years.

Because of this, every critical detail of tha TLP had to be right. But because it had not been done before, there was no comparison with previously tried solutions to draw upon when something went wrong. Thus, in the autumn of 1982, a rigorous process began to find a set of solntions from which to draw an optimum way out of the problem.

Today, it is difficult to find anyone willing to point a finger of blame, but it is clear that heads rolled at Conoco and at HiFab and that the reshuffled team of Conoco, Bechtel and fabrication contractors did much more than plan a few repairs at HiFab.

When it became clear that a delay of as much as six months would arise, the project timetable was re-organised so that installation of a finished TLP in the 1984 "season" (effectively, for construction operations, from early spring to mid-autumn) could take place.

This allowed for e far greater degree of completion to be built into the integrated deck being fabricated nearby at McDermott's Ardersier yard, so that when mating of the hull and deck took place in Mey, 1984, the unit was virtually ready to head for work in the Hutton field.

Unlike most platforms, there is precious little advantage in getting a TLP on site early. So, as things turned out, a number of fabrication pluses were scored, and it is likely that in future they will guide initial plans more than might be expected from a solution born of a crisis.

By maximising onshore hook-up, Conoco was able to reduce offshore costs and to start producing a mere 22 days after arriving. Normally a year is more like it.

In the spring of 1984, with all modules loaded on to the Hutton deck, it was towed around to the Inverness Firth from McDermott's yard and a total of 140,000 manhours of book up work was achieved before mating of tha deck and hull took place a few months later. Indeed, as the deck headed to the mating site, its life support systems were up and running right down to the galley making food for workers on board.

Service packages

In a conventional top-sides arrangement, modules, containing different packages of essential services are loaded on to a module support frame and then hooked up. This process takes a very long time offshore and can be reduced if an integrated deck is built where equipment is built into a larger structure obviating the need for box-like modules.

Because the schedule was delayed, the Hutton integrated deck became even more integrated when it was decided to spend more time building it at McDermott's yard.

Instead of having to hire offshore derrick barges to lift the few on-deck modules into place, these were installed by yard cranes at Ardesier. Instead of the hook-up crew being transported to site by helicopter and staying on offshore, they were ferried by high speed crew boat from Ardesier to the Inverness Firth, while materials had only a short journey from the old ferry boat launch jetty to the deck rather than riding supply boats from Aberdeen to Hutton.

By contrast, if the hull had been completed in April 1983, the deck would hava been far from complete— it was just 80 par cent complete in September 1983 —and some offshore heavy lifting and more expensive offshore book-up and commissioning would have had to be carried out, assuming the TLP could have been installed in 1983, anyway.

In some ways, Conoco is fortunate it was not.

By the autumn of 1983 it became increasingly clear that the proposed method of installing the TLP—using a pattern of tugs to hold it in place was a risky proposition in all but the calmest of seas. As things turned out, operations to install the TLP leg foundation and pipeline meant no installation work could have started before August. A small amount of weather uncertainty could have pushed that timetable into September and perhaps have delayed installing even a partially completed TLP in the 1983 season at all.

Even if installation had been possible, a good deal of work would have yet to have been carried out, making e arly installation little more than a good way to ring up large offshore hook-up costs.

At the end of the day, it appears that so much was learned from correcting the minor mistakes that occurred during the building of the TLP, that while it cost money end time, it was money, time and effort invested in future projects rather than thrown away. And that, after all, is often what being first is all about.

The Hutton project

KEY DATES

1973	Field discovered
1980	Project committed
May 1981	Well template installetion
March 1984	Tow-out of deck
May 1984	Tow-out of hull
May 12 1984	Mating of hull and deck
July 13 1984	Installation of TLP
Angust 6 1984	Production start-up
September 1984	Peak production of 900,000 barrels per day

PARTICIPANTS

Conoco (UK) Limited (operator)	20 per ceot
Britoil plc	20 per cent
Gulf Oil Corporation	20 per cent
Amoco (UK) Exploration Company	10.31 per cent
Enterprise Oil plc	10.31 per cent
Mobil North Sea Limited	8 per cent
Amerada Hess (UK) Limited	7.23 per cent
Texas Eastern North Sea Inc.	4.15 per cent

KEY FACTS

Location	90 miles North East of the Shetland Islands in UK Blocks 211/28 and 211/27
Water Depth	148 metres (485 feet)
Oil Reservoir	Depth of field—2,957 metres (9,700 feet) subsea Producing horizon—Middla Jurassic Brent formation
Recoverable reserves	Estimated at approximately 200m barrels
Oil Quality	Sulphur content—sweet/low Gas/oil ratio—103 scf/stb Oil gravity—31°API
Platform	Weight—47,400 tonnes Deck dimensions— 74 x 78 metres (243 x 260 ft) Accommodation—239 Processing capacity— 110,000 barrels of oil per day
Wells	13 production, 11 water injection (10 pre-drilled)
Pipelines	Hutton to NW Hutton, to Cormorant, to Brent System, to Sullom Voe

UK must improve on reliability of delivery

THE CONCEPT of a tension leg platform was already under investigation in Conoco's Houston office before the Hutton oilfield was discovered.

Indeed, years of work bad taken place in Houston on the concept before it was decided, in 1977, to bring it to the North Sea for application in UK waters.

So, when the idea moved from Houston, so did its engineers. Such an innovative concept might, therefore, have been expected to involve mostly American expertise and technology, with a reduced level of British input. But in terms of value of orders placed, Hutton scored a 79.9 per cent UK content.

There will always be argument over what makes a company British. Those companies considered foreign despite having genuine UK subsidiaries, can, for example, argue that work is done in the UK, with largely UK staff.

Of course, the Department of Energy can also rightly point out that by insisting on at least a 70 per cent UK content in nffsbore nil developments, it has increased the UK input, regardless of the eventual ownership of the contractors involved. And to have surpassed this objective on a sophisticated project such as the TLP is an achievement.

The Hutton TLP bettered the Energy Department guidelines, because Conoco carefully monitored the UK content of awards.

In this it was helped beceuse several of the major international contractors involved carried nnt their work from Britain. As well, some genuina home-grown innovation went into the project and this is likely to go along with the design to be nsed in future fields

Pride of place in this category is the Vickers-designed leg-anchoring system. By proposing and then developing an effective and simple-to-operate device, Vickers made a major contribution to the project.

Vickers won its contract in a genuine market race, but how were the other contracts awarded? Would the pattern necessarily be followed elsewhere?

Conoco already had British involvement when it brought tbe TLP concept to London in the form of partner, Britoil (then BNOC).

When the partners were ready to award contracts Conoco decided on a project services approach, which it had used successfully on tha Murchison field; another Conoco North Sea inlerest. This meant hiring, in January 1980, an engineering contractor—in this case, Becbtel GB—to join an integrated management team.

Bechtel project managers mirrored Conoco managers job title providing the datailed backup work to Conoco decisions. At peak, over 500 Bechtel staff were involved in this function. Most of them were UK employees of Bechtel, including project manager Mr J. R. Elton.

The Contracts

JAMES BALL

The next contract awarded on the project went to Brown & Root (along with VO Offshore) for engineering services. Again, a U.S. company did the bulk of the work in the UK with UK staff.

In July of 1981, Conoco awarded the biggest two contracts on the job: the bull fabrication contract to Highlands Fabricators and the integrated deck contract to McDermott's Ardersier yard. McDermott already had the contract to build the wellheed template, installed that yeer to enable pre-drilling of production wells to begin.

It is likely that future TLP's will be built, as was Hutton, in the country wbere the field is located or, at least in the case of the bull, in the cbeapest international yard capable of doing the work—in practice usually tha Japanese. Two Japanese groups won subcontracts for the Hutton platform—Mitsui built hull sections for HiFab, and Nissho Iwei's won a contract to build the tension leg foundations.

Because the TLP has an integrated deck, relatively few of module builders were involved. Rather, equipment, much of it British made, was delivered to Ardersier for building into tha deck. Theoretically, UK companies could win these orders in future. In practice they will have to apply lessons from the Hutton awards procedure.

Bids were evaluated on a points basis. Different sections of the project team evaluated a supplier's ability to deliver, price, etc, and gave points. Higher up tha management ladder, these were totted up and a recommendation made, followed by detailed negotiations with the front runner, before the contract award.

The major complaint against British suppliers was time, not price. UK contractors and suppliers can compete on price terms and would thus stand a real cbance of winning contracts outside tha protected home environment but they need to improve on speed and reliability of delivary.

Among the orders which did not go to British firms were the drilling equipment, which went to National of the U.S. (witb some UK content) and tha drilling modules which were built by De Groot of the Netherlands. But Vetco, of Californie, carricd out its contract work in Aberdeen.

How far the orders won by UK companies represent a base on which overseas contracts could be built is unclear.

Heerema, wbose UK company Field Enterprises, based in Aberdeen, did most of the marine contract work (to eneble the mating of the deck and hull sections as well as the site insallation), would probably use its Houston subsidiery for U.S. work—again with, at best, a few UK employees winning a Houston transfer.

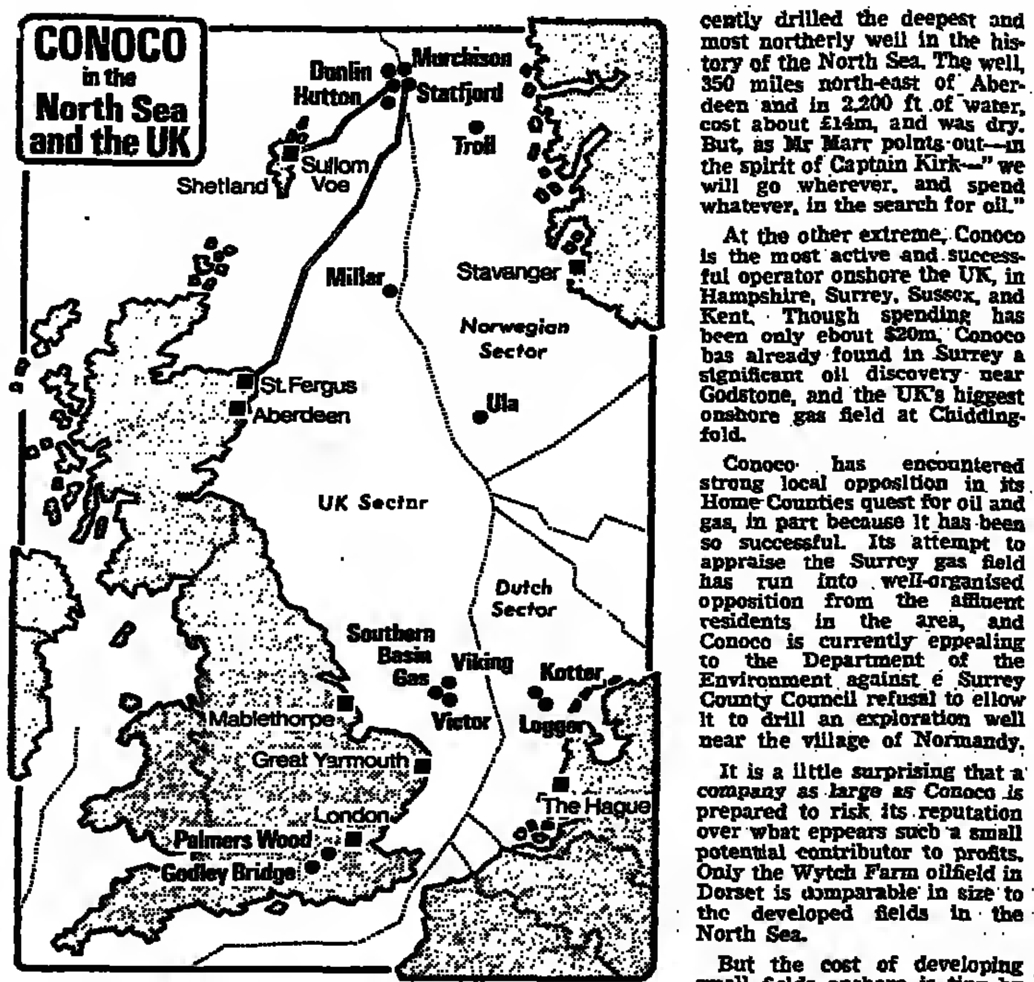
Britisb-based drilling compeny, Kingsnorth Marine Drilling, which carried out the pre-drilling, would face a host of other drilling compaoies as competitors overseas. Like the major construction contraclors, SLP of Lowestoft (now owned by Sweden's Gotaverken Arendal) would have a locational disadvantage in competing.

So, wblle UK companies performed well—despite some delays all round (and not just on the bull fabrication), the 79.9 per cent Britisb content built into the Hutton TLP looks like winning UK employment for now, short term praise from tha Department of Energy but possibly only a marginal increase in future export orders.

Adventurous developers of N. Sea oil

Profile: Conoco

DOMINIC LAWSON



THE U.S. oil company, Conoco, had for some time been seen as a takeover target before the U.S. chemical group Du Pont pounced in 1981 with a bid worth $7.8bn.

For Conoco's operations in the UK, the bid, coming when it did, may have been a blessing. Had Conoco been taken over in the wave of oil company mergers on Wall Street last year, rationalisation of its UK activities could have been expected.

Du Pont bad no overlapping UK operatinns, and in the $2bn asset disposal that Du Pont carried out in the wake of the merger, Conoco's UK activities were not affected. If anything, Conoco has become increasingly aggressive in its development of UK oil and gas, and in its UK downstream operations.

Outside the U.S., the UK is Conoco's biggest target for investment in energy. Its UK operations started before the discovery of North Sea oil and gas, in 1961, with the acquisition of the Jet petrol station chain. By the following decade Conoco bad built up a fully integrated oil company in the UK, involved not just in petrol marketing but in refining and oil and gas exploration and development. Conoco (UK) currently employs ebout 3,500 people.

Conoco's work on the revolutionary Hutton tension leg platform (TLP) bas made it one of the most adventurous developers of UK North Sea oil, but the company had already won its spurs with the earlier development of the Murchison oilfield. This field is in the hazardous waters of the East Shetland Basin, straddling the median line with Norway, but was developed on time and within budget.

After Murchison and Hutton, Conoco has high hopes of developing a third oilfield in North Sea block 16/8b, which it has just named the Miller field. Like its two predecessors, Miller is named after an eminent Scottish geologist.

The problem for Conoco is that its Miller field appears to be part of a giant oil accumulation which spreads into a hlock operated by British Petroleum. In such cases unitisation is inevitable, usually on tha basis that the company with the largest part of the field operates.

Conoco's projects general manager, Mr Tom Marr, doesn't disguise the fact that both Conoco and BP would like to operate the field with all the kudos and manpower ntilisation thet would entail for the operator.

Conoco and BP are currently discussing the vexed question of unitisation and operatorship. "It's too close to say for sure wbo bas the bigger part of the oil — it may be 50-50," Mr Marr observes.

The debate is rendered even more complex by the fact that the U.S. oil company, Marathon, may also share some of the giant field in one of its own blocks.

Conoco's exploits in the high profile area of North Sea development have overshadowed its growing role as a producer of Nortb Sea gas. Conoco has recently started production from its Victor gas field in the North Sea's Southern Gas Basin. This, together with the bringing on stream of Hutton, and of Conoco's Kotter oilfield in the Dutcb sector of the North Sea, represents the first time in the bistory of the North Sea that one company bas brongbt three fields into prodnction in the same year.

In the UK's Southern Gas Basin Conoco is planning to hring another four fields into production, involving initial investment of at least £750m. The fields, named North Valiant, South Valiant, Vanguard and Vulcan, could produce enougb gas per day to supply about 10 per cent of UK gas demand.

Conoco is keen to acquire more acreage in the Southern Gas basin in the forthcoming ninth round of UK oil and gas licences, whicb closes on December 17.

Conoco is also prepared to explore vigorously in the deep frontier waters on offer in the ninth round, the company's UK managing director, exploration, Mr Argus Campbell, states.

As evidence of its willingness to test the frontiers of North Sea exploration, Conoco recently drilled the deepest and most northerly well in the history of the North Sea. The well, 350 miles north-east of Aberdeen and in 2,200 ft of water, cost about £14m, and was dry. But, as Mr Marr points out—in the spirit of Captain Kirk—"we will go wherever, and spend whatever, in the search for oil."

At the other extreme, Conoco is the most active and successful operator onshore the UK, in Hampshire, Surrey, Sussex, and Kent. Though spending has been only ebout $20m, Conoco bas already found in Surrey a significant oil discovery near Godstone, and the UK's higgest onshore gas field at Chiddingfold.

Conoco has encountered strong local opposition in its Home Counties quest for oil and gas, in part because it has been so successful. Its attempt to appraise the Surrey gas field has run into well-organised opposition from the affluent residents in the area, and Conoco is currently appealing to the Department of the Environment against e Surrey County Council refusal to ellow it to drill an exploration well near the village of Normandy.

It is a little surprising that a company as large as Conoco is prepared to risk its reputation over wbat eppears sucb a small potential contributor to profits. Only the Wytch Farm oilfield in Dorset is comparable in size to the developed fields in the North Sea.

But the cost of developing small fields onshore is tiny by comparison and, as Mr Campbell avers enthusiastically: "There are opportunities for finding significant oil accumulations onshore the UK. There are still hig unexplored structures in the South of England. If you compare it with sedimentary basins in other parts of the world, it bas been underdeveloped."

This approach is strengthened by Conoco's downstream operations in the UK.

Conoco's Humber refinery is the world's leading supplier of premium grade petroleum coke, which is used in the steel industry and the refinery also ecknowledged as the UK's lowest cost producer of traditional petroleum products. Since June 1982, Conoco, which has 5 per cent of the UK petrol market through the Jet and Globe brand names, has consistently sought to exploit its low cost position by selling its petrol at least 1p per gallon cheaper than the majors. Conoco has in this way managed to avoid entering the expensive forecourt games currently fashionable with the industry.

Problems solved by experience

Installation

JAMES BALL

HUTTON'S tension leg platform was built in two sections—hull and deck—mated in protected waters, and installed virtually complete at its offshore field site, two marine operations which are both very far from simple.

The first operation took place at the oil production site in the Hutton Field itself. In 1983 the foundation templates were set by Heerema Offshore Contractors using two barges the Balder and Odin. At the time they were the largest ever templates to be set under water.

Heerema, a Dutch international contractor, was also involved in a number of other operations the most important of which, planning the sea mating of hull and deck and installation of the platform in the field went to its Aberdeen subsidiary, Field Enterprises.

Besides having to be precisely located—a process which involved using a giant underwater locating frame — the foundations had to be piled to the seabed to take the full force of the TLP's tension and sea motion.

Deck

Driving piles on a conventional jacket is relatively easy: guides are installed on the jacket legs and extensions can be fitted on top of the piles for hammer-driving them into the seabed.

There were no legs on the TLP foundations so a special underwater hammer had to be developed.

Meanwhile work was under way to decide how to moor the hull built by Highland Fabricators at Nigg Bay for mating with the deck from McDermott's Ardersier yard. By the time the deck began its journey to the Moray Firth for mating in May, its services were functioning and 114,000 man hours of work had been carried out.

Field Enterprises secured the hull by a series of mooring lines, it was steedied further by surface barges and ballasted down. Three boats were tied to the deck's transport barge and it was slowly moved between the hull columns.

In case the sea was rough, a series of dampers were built into the deck to soften its initial contact with the tops of the six hull columns but in the event they were hardly needed on May 12 when mating took place. A circuler pin was dropped into one middle column and a rectangular peg on the opposite side located the two structures, allowing the hull to be ballasted up against the deck. The structures were then welded together by AOC and the deck transport barge removed.

Completion of hook up then proceeded at a rapid pace as services between the hull and deck were connected, until, on July 7, the structure headed for Hutton.

The scene was now set for the final phase of the operation. Field's proposal was to anchor two Heerema barges either side of the site and for them to be connected to the TLP by just four lines, with an instant release connector in the middle of each line. The tugs towed the platform in between, while the barges' lines were connected, but the tugs stayed attached in case very rough weather required the TLP to be towed away. Even if this had happened, the barge lines could have stayed connected.

The two captains on the *Balder* and the *Hermod*, Heerema's semi-submersible barges, answered to one overall captain and giant winches on their decks began locating the structure. The process began on July 12.

Once in position, drilling crews in a corner column of the TLP began assembling a leg—in just the same manner as a length of drill pipe—and lowered it gradually to an awaiting foundation pod.

The leg was heave compensated while the operation was repeated on each of the four corners of the TLP. When four legs were in place, the legs were tensioned to eliminate heave and then the other 12 legs were run into place as the first four held the TLP in location. The barges and tugs were released.

The whole installation process was complete by July 15 when work began on hooking up the structure to the seabed wellheads and pipeline. Some commissioning continued, but so little remained to be done, that on August 6 the first oil flowed from the platform.

THE ARTS

London Galleries/William Packer

The artist is worthy of his hire

I seldom address myself, certainly not in any detail, to questions of price or the comparative commercial value of the work *I* review, but that is *not* to say they should be taken as unworthy of the critic's lofty gaze.

Rather, it is that to turn collector's tipster, except by natural inference of the critical view taken in any particular case, is so to ramify and extend the business as to change its character altogether.

The constant monitoring of gallery and saleroom price lists and the shifts and undercurrents in the public taste that they reflect, is a discipline in itself, and one for my part better left alone than too casually attempted.

For painter and ceramist, sculptor and furniture maker alike, to cost the work even at the bourly rate of the mechanic who services the car is not so much unreasonable as unthinkable and this for what, if chosen well, is likely to et up nur grand-children very well indeed. Well, nothing bnt the older art in any of the sows I mention now rises much above £1,000, and most of it is very much less than that—cheap, as the man says, at the price.

Norman Stevens (at the Redfern Gallery until January 10) is an artist of whom I have written enthusiastically often enough, but if he has a fault — virtuous fault indeed — it is his infinitely slow and scrupulous way of working, and a concomitant reluctance to leave well alone. But there are no larga paintings in this show that have kept him weeks together in the studio. Only the gallery's implacable deadline kept him out of doors this summer *sur le motif*. The manifest lightness of touch, and freshness and simplicity of statement, though no surprise to those of ns who have seen anything of his work before while still unfinished, are a delight.

It is almost all landscape work, of which all but the group of prints (which is retrospective) is based upon the parks and gardens around Nettlecombe in Somerset, where Stevens has lately spent some time. The corridor and side gallery hold the smaller drawings and oil studies, some of them hardly more than fragments — a tangle of undergrowth, a single tree set against a mass of foliage across a lawn — yet full realised nonetheless, in the sense they fix of an artist's informing presence in a certain place at a certain time.

The central gallery holds the larger works, a set of most impressive charcoal drawings, ample and open statements, freely et firml made, the work of a mature artist confident enough in his powers when brought to the point.

Quite literally next door in Cork Street (at tha remade Browse & Darby Gallery until December 21) is the recent work of another fine landscape painter, but one who by now confirms the consistent nature and quality of her work rather than demonstrates any fundamental shift.

Diana Armfield has always worked on the small scale of the *intimiste*, and painted still life and the domestic interior too, and this show as ever reflects that scope of interest — here are the views of Venice, and Tea at Fortnum's, spring flowers from the garden in a pot and s Tuscan olive grove, a Welsh hillside and a French field of sunflowers.

Ambition in artist does not necessarily lia with the attempt ot the largest scale, nor seriousness with constant shift, change or development. The concern is with the paint, with whot it can do on the canvas, and with getting it right on the chosen terms. Here wa should not be distracted from its underlying seriousness, of intention and achievement, by the more obvious charm of the work, the view of the Salute or the little nosegay that ore the inspiration of every amateur who ever picked up a brush on holiday.

Miss Armfield's first preoccupation is indeed the paint, and though her images may seem so dangerously familiar, the way sha works them is entirely her own, and as knowing, skilful and judicious as that of any of her more self-consciously *avant garde* contemporaries.

Virginia Powell is another artist who works to the smaller scale, and takes her subjects from her immediate domestic circumstance. However, aha is not showing paintings or drawings this time, but prints, making indeed a full retrospective of her work with screen, lithography and etching (at the Maclean Gallery until January 18) over some 22 years.

It is only the screen-printing, however, that takes us bock so far and only a little of that; for she began to make etchings and lithographs only in 1978, and now runs to more than 50 works in each of those two media, with a further eight silkscreen prints, which mass of work suggests that making prints is almost now her principal activity.

She looks out of the window, across the Stockwell gardens perhops, or the French countryside, or she is caught again by the pots ond flowers on the *window sill*, or the *breakfast* clutter on the corner of the table; or again it may be the table left after a summer breakfast in the garden, or the chairs under the apple tree, or all but lost in the flower bed.

Fgures sppear, but rorely in her work, bnt all is imminent with human presence, the secret ambiguous history of the chair pushed back, only just vacated, the hasket only then placed on the floor, the coffee still warm in the cnp, or the sun still shining out of doors—a gentle, personal, domestic vision, but yet again entirely serious and sustained for all that.

And finally o list of mixed exhibitions for the season, not all of which I have seen, for some have yet to open, or open as I write, yet on their record I can confidently recommend.

A View From My Window st Angela Flowers in Tottenham Mews W1 (until January 11)—the annual thematic exhibition of work by the gallery's own stable of artists and s number of select outsiders, including Adrian Berg, Peter Blake, Prunella Clough, Terry Frost, Maggi Hambling, Carole Hodgson, Philip O'Reilly, John Loker, Patrick Hughes, John Keane, John Christopherson and, (dare I say it?) William Packer.

Miniatures for Christmas, Graffiti's fifth Christmas show of miniature prints (until December 24) at 30 James Street W1: and *Ten Years On*, a show celebrating 10 years of the Thumb Gallery by painters, illustrators and printmakers who have been associated with it, one indeed for each of what are in fact 11 years in all (until December 25) at D'Arblay Street.

And at the British Crafts Centre in Earlham Street, while stocks last, tha annual Christma Shop, filled with the work of the Centre's members, cash and carry—jewellery, textiles, ceramics, whatever, inclnding the pots of Alison Britton, David Garland, Jim Malone and Jim Partridge, the carved water fowl of Guy Taplin, baskets by David Drew, and carved mirror frames by Howard Raybould.

A charcoal by Norman Stevens: Laurel

A scene from *42nd Street*, musical of the year according to the judges of the Laurence Olivier Awards, announced on Sunday night.

The photograph is included in Theatre Year 84, a year in the (mainly) London theatre as seen through the camera of Donald Cooper. The introduction is by Michael Coveney.*

This year has been another good one for the West End—the revival which began in the autumn of 1983 has gained even more momentum. There are only two dark theatres this week, as against 47 open for business, and one in the dark, the Victoria Palace, is awaiting the return of *Barnum*.

For next year, Bob Swash, president of the Society of West End Theatres, is hoping to get Sunday opening. Behind all the new moves are a combination of bullish influences—better late night transport: a recognition that London is quite safe at night; and a wide improving range of product on offer. The main problems now are that new shows cannot find a theatre, and that Government cuts in aid to the subsidised theatre may reduce the flow of plays from the provincial theatres.

* Theatre Year 84. In (Porenthesis): £6.95.

Leonskaja/Elizabeth Hall

Dominic Gill

Since her British debut five years ago, Elisabeth Leonskaja, the Soviet pianist, has been a regular and welcome visitor to Lndon. She is easily one of the half-dozen most interesting pianists of her generation before the public today. (But word, in these cases, still takes an unconscionably long time to go round. It is no more than the traditional irony that the hall for her recital on Sunday afternoon was only one-third full.)

She began with two Beethoven sonatas, the *Pathétique* (Op 13) and the *Tempest* (Op 31 No 2): both of them performance conceived with the greatest imagination and care, and seamless in their close focus.

She is a very physical pianist as well as an exceptionally thoughtful one. Her musical ideas have a vivid, almost palpable physical presence. She listens to herself with unusual keenness—the duration of single chords (and silences also) are weighted with wonderful dramatic precision.

She can sound impetuous, but there is nothing haphazard in the impression of freedom she creates—in every measure she knows, and nearly always gets, exactly what she wants.

The physical demonstration—watching Miss Leonskaja play is a little like watching a horse rider — I imagine some people could find a distraction; I don't chiefly because every movement is so plainly expressive, so unequivocally linked to the service of the music.

I liked her strong, impulsive—but razor-sharp—way with the *Pathetique*: s stork, revolutionary canvas bright with energy. The *Tempest* sonata had irresistible freshness and intensity: the finale especially, buoyantly orchestral in its conception, and the adagio, very slow and darkly eloquent. They were, without doubt, two of the most vivid and exciting performances of middle-period Beethoven I have heard in years.

Her second half, devoted to the four Chopin Scherzi, was no kind of anticlimax: a brilliant sequence, sustained by the same marvellous cantabila phrasing (powerful echoes of Lipatti), the same unstoppable energy and close, gripping focus. The Elizabeth Hall has been sold out for far lesser talents in recent months: my only regret is that all those absent on Sunday will never know what they missed.

New Holloway/Elizabeth Hall

David Murray

Composed two years ago, Robin Holloway's *Serenato Notturno* had its première on Sunday in a City of London Sinfonia concert conducted by Richard Hickox. The serenade was conceived as a showpiece for a quartet of horns, like Schumann's *Konzertstück*; but like other "post-modernist" pieces in Holloway's recent output it makes a much ambiguous impression than that.

The form is characteristically neat, with a repeated orotund march flanking a lugubrious *cantabile* and reappearing to conclude the subsequent rondo. There are more odd little byways than that summary suggests, and the skewed, dislocated tonality of the slower music is pulled into jaunty mock-innocence for the rondo — very early and very late Richard Strauss are not far away, and the main rondo material *is within hailing* distance of some Poulenc ceremony. Parody doesn't seem to be in question, though there are cadences of twinkling banality. The horns (Frank Lloyd, Peter Railton, Richard Watkins and John Rooke) crooned valiantly in *cantabile* and yodelled later with a will.

Besides strings tha accompaniment includes only a pair of trumpets, who at first supply mere punctuation but become more energetically involved as the serenade proceeds. Holloway was followed by Mendelssohn, and in the Trio of the "Italian" Symphony scherzo the layout of horns, trumpets and strings suddenly recalled Holloway's; was that secret nudge, or pure accident?

The "Italian" got a goodish performance which probably sounded beter on the Radio 3 relay: the elaborate miking of the platform should have allowed the awkward orchestral balance—winds always dominating strings—to be corrected. The concert had begun with Wolf's *Italian Serenade* (programming can be too clever) in the chamber-orchestra version, which Hickox pointed very deliberately and in exactly the *right spirit*. *A more convincing* illusion of spontaneity would still have been welcome. In Mazart's C major Piano Concerto K. 467 the soloist was Rafael Orozco, who was received with great nationsl fervour; to no-Spanish ears, his evident careful intentions produced no more than a routinely brisk, clattery effect.

The Lion, the Witch and the Wardrobe/Westminster

Martin Hoyle

Not having read any of C. S. Lewis's Narnia books, I came to Glyn Robbins's adaptation of *The Lion, the Witch and the Wardrobe* as fresh as, presumably, many of the young spectators at the Westminster Theatre; and could accordingly apply the acid test of seeing whether this scrupulously staight (that is non-musical, non-spectacular) version would send me roun dto thet nearest book shop if I were an unjaded infant.

On balance it would. These middle-class children who apologis and shake bands for being beastly to one anothar are unpatronisingly presented, though tha boys (Nicholas Farr's decent, firm-jawed Peter and Ian Pulceston-Davies's spiteful Edmund) come off better than the girls.

The wardrobe in question is a gateway to the fantastic land of Narnia (an attractive map is reproduced in the readable programme, together with a piece on putting on a play and a history of this theatre). Eternal winter blights the country through the tyranny of the usurping White Witch — no prizes for guessing how *she* will be portrayed in at least two leftish versions currently in the provinces. With the help of a friendly faun, a (married) couple of beavers and the noble lion Aslan, the four children foil the witch and return to everyday life with moral values firmly inculcated.

Richard H. Williams of the Oxford Playhouse shows plenty of ingenious ideas in his production. It is hardly his fault if a generation of children reared on image rather than imagination expects visual illustration of everything.

When the actors sight the sea somewhere in tha auditorium, younger spectators crane their necks with slightly cross cries of "where?" as if expecting a special-effect deluge from the circle.

The final atylised battle, groceful with hillowing banners, succeeds heautifully. Chubby Susan's slow-motion running (shades of *Chariots of Fire*) does not. Marty Flood's elegantly minimal and adaptable basic set is a great asset.

As yet, the villains are not scary enough, despite Susannah Morley's full-blooded projection as the Witch, and the werewolf get-up of her lupine henchman, splendidly snarled by the improbably-named Stag Theodore, who sounds like a denizen of Narnia himself.

Though advertised as sultable for children as young as five, I suspect this straightforward and literate production will probahly he more successful with those two or three years older.

Mahler 2/Festival Hall

Andrew Clements

Gilbert Kaplan is the founder and editor-in-chief of the American magazine *Institutional Investor*, a wealthy man who ever since he hesrd Stokowski conduct Mahler's second symphony has cherished an ambition to conduct it himself. Many have such dreams, but very few have the resources to turn them into reality. Mr Kaplan has no musical training, but he engaged the services of a professional conductor to teech him the score, and in September 1982 hired the American Symphony Orchestra and the Lincoln Center for an account of the Resurrection Symphony which was hailed hy the New York critics as one of tha most profound heard there in years.

He has gone on to conduct the symphony elsewhere, snd on Sunday brought his performance to the Festival Hall, for a concert in aid of the American LSO Foundation, with the London Symphony Orchestra and Chorus and soloists Maureen Forrester and Benita Valente. Mr Kaplan describes himself as an amateur, in the true sense of the word, and his magnificent obsession with Mahler 2—he conducts nothing else, and has now bought the autograph from the Mengelberg Foundation—in one way disarms criticism. He received a standing ovation, and a cynic might observe that no work in the symphonic literature is more effective at bringing an audience to its feet than this.

Those, however, who regard tha symphony os something more than a Technicolor spectacular, and look for signs of musical structura and characterisation in any account of it, would have been most disappointed by this event. Mr Kaplan has surveyed the gross architecture of the work—its climaxes, its theatrical effects—and can present them faithfully enough. He does nothing with the detail, with the precisely calculated instrumental effects, the phrasing of the solo lines, the carefully graded dynamics in the outer movements, the relationship of one tempo to another. He perceives the intention behind Mahler's score but not at all the organic way in which it is realised.

Yet an abundsnce of well-channelled emodonal intensily could see a conductor through such difficulties. I went to the Festival Hall, I confess, expecting if not a penetrating sccomnt of the Resurrection Symphony, at least something possionate and involved, yet whot was delivered was dry and, in the central movements especially, absolutely lifeless. Here were the gigantic fortissimos purged of real tension, the gothic horrors of the first movement frozen and inert, the entrance of the chorus absolutely unmagical.

Having gained control of the symphony in a very literal way, Mr Kaplan did not seem to know whot he wanted to do with it, and to cheer such a performance to the echo seems to me implicitly to devalue any authentically grest interpretation of the work, hy a conductor such as Abbado, Haitink or Solti (who was among the oudience here), when such comes along.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Dec 7–13

Opera and Ballet

PARIS

Die Entführung aus dem Serail alternates with Tosca, conducted by James Conlon. The title role is sung by Hildegard Behrens and that of Cavaradossi by Luciano Pavarotti. Paris Opéra (742.57.50).

Operetta Season at the Théâtre Musical de Paris: La Fille de Mme Angot alternating with Strauss's Fledermaus combines high musical quality with the fireworks of a great show. TMP-Châtelet (261.19.83).

NEW YORK

Metropolitan Opera (Opera House): After a cross-country tour with the London Philharmonic, conductor Klaus Tennstedt has had to withdraw from exhaustion from conducting Elektra. His place is being takeo by James Levine, who is also conducting Simon Boccanegra with Sherrill Milnes playing Verdi's powerful doge and Jean-Pierre Ponnelle's new production of La Clemenza di Tito. Il Barbiere di Siviglia is conducted by Silvio Varviso with mezzo Julia Hamari and baritone Leo Nucci. Manon Lescaut is conducted by Nello Santi. Lincoln Center (362 6000).

WASHINGTON

Washington Opera (Terrace): The season continues with a new production of La Sonnambula ond o revival of Menotti's The Medium & The Telephone. Kennedy Center (254 3770).

Joffrey Ballet (Opera House): A fortnight's mixed programmes inaugurates an American Ballet festival, starting with 15 ballets by seven choreographers by the Joffrey company. Kennedy Center (254 3770).

LONDON

Royal Opera, Covent Garden: The new production of Der Rosenkavalier mounts a glittering roster of names: Solti as conductor, John Schlesinger as producer and a cast led by Kiri te Kanawa and Agnes Baltsa. (240 1066).

English National Opera, Coliseum: Josephine Barstow's performance as the 300-year-old heroine of The Makropulos Case is only the most pressing reason for a visit to the revival of Janacek's most fascinating opera. Other ENO revivals include a well cast Cosi fan tutte led by Felicity Lott, Jean Rigby and Adrian Martin and the celebrated Freudian reinterpretation, by David Pountney, of Dvořak's Rusalka, with Eilene Hannan in the title role. (836 3161).

CHICAGO

Lyric Opera (Civic Opera): J. Patrick Raferty is Figaro and Kathleeo Kuhlmann is Rosina in Il Barbiere di Siviglia and Eva Marton cootinues in the new production of Richard Strauss's Die Frau ohne Schatten; Carmen stars Alicia Nafe and Maurizio Frusoni as Don Jose. (332 2244).

NETHERLANDS

Scheveningen, Circus Theatre. A Stravinsky programme from the National Ballet: Agon, Monumentum pro Gesualdo, Movements for Piano and Orchestra (All Balanchine) and Orfeo (Toer van Schayk). (Tue). (55 88 00). Repeated Wed in Utrecht, Stadsschouburg (31 02 41), and Thur in Eindhoven, Stadsschouwburg (11 75 55).

Amsterdam, Stadsschouwburg. Netherlands Opera production of Don Giovanni, with John Broescheler in the title role and Roberta Alexander and Ashley Putnam in other leading parts, Netherlands Chamber Orchestra and Opera Choir under Edo de Waart and Ed Spanjaard, with the National Ballet (Wed). (24 23 11).

BRUSSELS

Damnation of Faust by Berlioz conducted by Sylvain Cambreling with José Van Dam. Palais des Beaux Arts (512 50 45).

Cirque Royale XXth Century Ballet directed by Maurice Béjart. Ce que l'Amour me dit. (218 20 15).

WEST GERMANY

Berlin, Deutsche Oper: Tosca, sung in Italian, has fine interpretations by Janis Martin and Giorgio Lamberti. Der Barbier voo Sevilla bas Ann Murray and Rüdiger Wohlers ln the main parts. The Magic Flute features Barbara Greeoberg and Horald Stamm. (34 381).

Cologne, Opera: The Magic Flute has Krisztina Laki and Matthias Hölle as leads. Hänsel and Gretel is worth a visit, with Edith Kertesz-Gabry and Marijke Hendriks in the title roles. (20 761).

Hamburg, Staatsoper: Hänsel und Gretel has Elisabeth Steiner and Jutta-Renate Ihloff in the title roles. Die Meistersänger von Nürnberg has Wagner specialists Anne Häggander, Bernd Weikl and Robert Schunk. Fidelio is a Christoph von Dohnanyi production with Franz Ferdinand Nentwig, Sabine Hass und Robert Schunk. Zar und Zimmermann rounds off the week. (35 11 51).

Frankfurt, Opera: Premiering this week is Jules Massenet's Werther sung in French in o concert version, with Alfredo Kraus in the title role. Der Freischütz is steered to triumph by Walter Raffeiner brilliant as Max. Manon Lescaut has an excellent Rosalind Plowright in the title role. La Bohéme is also on offer during the week. (25 621).

Stuttgart, Württembergische Staatsoper: After 14 months of renovation the opera house opened last month. This week starts with Hänsel und Gretel. Idomeoeo, with Carmen Reppel, Raili Viljakaineo and Rüdiger Wohlers, was highly acclaimed when it premiered.

ITALY

Rome, Teatro dell'Opera: A oew production of Don Giovanni by Jerome Savary conducted by Peter Maag, has Silvano Carroli in the title role. (46.17.55).

Milan, Teatro alla Scala: Season opens bere according to tradition on Dec 7 with s new Carmen conducted by Claudio Abbado with Goyaesque scenery and costumes by Piero Faggioni, Shirley Verrett in the title role and Placido Domiogo and Jose Carreras. (80.91.26)

Bologna, Teatro Comunale: Artemide by Gluck with an excelleot cast including Raina Kabaivanska, Max Rene Cossotti, Daniela Mazzucato and Robert Gambill, conducted by Alan Curtis, production, scenery and costumes by Filippo Sanjust. (22.29.99).

Trieste, Teatro Verdi: Gluck's Orfeo ond Euridice conducted by Jose Collado. The Venice production of a few years ago directed by Alberto Fassani with scenery and costumes by Pasquale Grossi. (63.19.48).

Turin, Teatro Regio: Verdi's early I Due Foscari conducted by Maurizio Arena with Licino Montefusco and Nicola Martinucci. (54.80.00).

Naples, Teatro San Carlo: Macbeth with Renato Bruson, Elizabeth Connell, Veriano Luchetti and Agostino Ferrin. Riccardo Muti conducts, and the scenery and costumes are by Giacomo Manzu (a co-production with the Bayerische Staatsoper of Monaco). (41.82.66).

Florence, Teatro Comunale: A coproduction with the Royal Opera House, Covent Garden of La Traviata (Zeffirelli's direction, sceoery and costumes) with Cecilia Gasdia, Peter Dvorski and Giorgio Zancanaro. (21.62.53).

VIENNA

Staatsoper: Macbeth conducted by Sinopoli; La Boheme conducted by Lombard with Ghazarion and Carreras. (53 24/26 55).

Volksoper: Donizetti's Doughter of the Rogimeot conducted by Bauer-Theussl; Merry Widow; Smetana's Bartered Bride. (53 24/26 57).

Music & Revolution/Bloomsbury

Dominic Gill

The Arts Connell's Contemporary Music Network this season includes a programme presented hy the ensemhle which calls itself — the ensemhle, not the programma — "Music and Revolution": a Concertmakers' Almanac of Russian words and music from Skryobin to the present day, mildly eccenirlc and mildly illuminating, which bears o more thon passing resemhlance to the same group's programme at the Riverside two yeors ago in which some of the same music ployed counterpoint to the wild and violent words of Mayakovsky.

The main focus of the evening is directed to such lesser-known Futurists as Roslavats, Desbevov and Mosolov: tslented musical schizophrenics all, who produced hardly a page of music between them worth more than a passing smile. Salutary perhops to be reminded of Deshevov's sublimely awful *Railway Tracks* of 1926 for solo piano, or Arthur Lourié's insensible *Our Morch* for speaker ond piano (pre-Stravinsky Lourié, which laler presumably he may temporarily hove disowned: the genealogy however is unmistakahle snd direct, through Khrennikov to Cornelius Cardew); salutary, but *not really* entertaining. I was glod to hear, though, the two original and extraordinary Balmont songs of 1919 by Nikolay Obukhov—who was one of the most Interesting, and possibly the most genuinely mad, of the real Futurists

The evening really belonged to the two octor-speakers: the excellent Teddy Kempner, whose impassioned dellvery of Mayakovsky was almost, but not quite, tongue-in-cheek; and Grigori Gerenstein, who followed some of the translations with their originals, and whose own wine-dark Russian vocal inflections in English were a special dellght.

A Mass of Life/Festival Hall

Andrew Clements

Throughout 1984 the Royal Philharmonic Society concerts hsve msde s feature of the works of Elgar, Holst and Delius to mark the 50th anniversary of their deaths. That series was brought to a stirring conclusion on Wednesday with Delius's *A Mass of Life*, conducted by Sir John Pritchard with the BBC Symphony Orchestra, BBC Singers and Choral Society and a finely matched quartet of soloists.

"Greater than the sum of the parts" is often the verdict on Dellus's largest scale work. Stylisticolly it is uneven, and some of the choral writing seems uninspired. But a fine performance — such as Sir Thomas Beecham's on record pre-eminently — can overcome the problems and weld the massive structure into a convincing and moving whole.

Performances, though, remain something of a rarity, mainly for practical, economic reasons. Tbis one bad evidently been well prepored. The most convincing parts of the score are the orchestral interludes, and in these Pritchard carefully presented a good deal of finely focused detail, helped by some well played solos from the BBC Symphony's principals. The four vocal soloists — Theresa Cahill, Alfreda Hedgson, Arthur Davies and Benjamin Luxon—coped well with writing that sometimes seems as taxing as many an operatic role, even if all tbe German prosody was not effectively conveyed. The choirs were impressive if not always successful in the problem movements—the curiously lumplsh chorus with which the work opens and the pair of dance movements which seem to assume a kind of disembodied totally unencumbered vocal line.

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

The Linford Wood Business Centre at Milton Keynes

Commendable flexibility

Tim Dickson reports on purpose-built small business premises

FAST GROWING companies can be frustrated in a number of ways—shortage of cash and inadequate management skills being perhaps the most common failings.

But the shortcomings of conventional premises — cramped space, restricted usage and inflexible and expensive leases —can just as easily hamper progress, especially for businesses in the technology and "knowledge" related fields.

Financial institutions generally have been slow to react to this challenge but the Sun Alliance Group—through recent developments at Swindon and Milton Keynes—has made a conscious effort to take into account the changing pattern of occupation required by the so-called "sunrise industries".

Kembrey Park Business Centre at Swindon, for example —started in 1982—is now about 80 per cent let and though its *Linford Wood Business Centre* in Milton Keynes is not quite complete and so far only houses three tenants, the imaginative concept behind the three pavilion building construction was picked out last week by the assessors of the 1984 Financial Times Architecture at Work award. In commending Linford Wood, designed by Michael Aukett Associates, the judges said that they were "impressed by this speculative business centre" and that the units "break new ground in terms of modest working environment."

They added: "The sharing of communication facilities and the planted central courtyards give new small businesses a sense of agreeable shared amenities and the landscaping around the pavilions is of the highest standard. The Milton Keynes Development Corporation deserves particular commendation for this."

Linford Wood, which is positioned less than a mile from the centre of Milton Keynes, is in fact probably not suitable for most brand new businesses, which ideally require just a few hundred square feet and flexible "easy in, easy out" lease arrangements. The Milton Keynes units, which start at 2,000 square feet and go up to 25,500 square feet, are aimed primarily at small ambitious companies which may be relatively new but which are nevertheless established.

Overhead services

As at Kembrey Park, Swindon, flexibility in terms of occupation and use is the keynote. Although the pavilions are constructed initially with equal amounts of administrative and production space, the whole or part of each building can be used for offices, laboratories, light production, data processing or research and development. The floor zones, too, are flexible so that tenants can incorporate extra services to first floor areas or overhead services to the ground floor space, and precast floor panels can be removed to provide further staircases or services between floors.

Jonathan Coote, Sun Alliance's estates manager, says that the insurance group decided about four years ago to take a close look at the requirements of this emerging market. "We realised that the traditional market was looking a bit dodgy and that these new up and coming companies needed catering for." Managers of expanding companies were interviewed and while the results were not always helpful—"the younger ones had little industrial experience and the older people were conditioned by traditional attitudes"—the group was able to draw a number of important conclusions. "We found that people preferred an office rather than a factory environment, that they did not want to be tied down by old fashioned user classes, and that young executives are very conscious of their working surroundings. Most employees, moreover, are likely to have a car which is why we have space for at least 70 vehicles at *Linford Wood.*"

Coote admits that letting has been "a bit slower than I would have liked" but stresses that "it is still early days." Experience thus far also suggests that the sort of expansion-minded company the centre is aiming for prefers to move straight in to a finished unit. "These sorts of business need all their resources to keep growing and don't want to tie up money in fixtures and fittings."

Sun Alliance, meanwhile, also points out that expanding companies often require flexible terms. These are negotiable but Coote says five or even three year leases will be considered.

Business Expansion Scheme

In search of a change

BY IAN HAMILTON FAZEY

SOME 40 investment managers of British Business Expansion Scheme funds are to press for changes in the Government's rules on investors' tax relief and the types of companies which the schemes can help expand. The campaign is being led by Michael Walton of Electra Risk Capital and Paul Brooks of Charterhouse. Patrick Taylor of Coopers and Lybrand, the accountants, is co-ordinating.

At the same time a senior Treasury official has been gathering information first-hand about the schemes and some of the companies helped so far. The schemes are emerging as an important means of getting venture capital into small business via minority equity stakes. This helps gearing ratios, overcoming one major obstacle to many small businesses' expansion plans—undercapitalisation.

Both developments suggest that there is fine tuning at least to be done on the rules and official recognition of concern that BES funds may not yet be reaching all the sorts of small businesses most in need of their help.

The attraction of the schemes is that they allow full tax relief on investments. Thus someone on the top rate of 60 per cent could put in £10,000 at a net cost of £4,000.

But the whole process of investing in a fund, the fund investing in a company, and the investors taking tax relief, has to take place in the same financial year, with tax relief applying after the fund invests in a company, not when the investor invests in the fund.

David Boult, director of the Community of St Helens Trust, Britain's first enterprise agency, *says that many* potential investors only discover they have spare cash available at the calendar year-end — about now. He believes that this works against a locally-based BES, such as the St Helens BES syndicate established this year, because it does not leave enough time to find and evaluate suitable local investments. "The rush increases the risk of backing a potential failure," he says.

Walton says that the bigger companies will have new funds ready in January and February to attract this calendar year-end market, but these will be nationwide and unlikely to involve investments of less than £250,000.

Boult's scheme aims to minimise administrative costs by using enterprise agency secondees from the private sector and local, mainly retired, senior managers for evaluation, and has thus been able to afford to make all of its investments in the £20,000-£50,000 range.

This is the range where the "equity gap" hits small business hardest. The Government hoped that BES would be the way to plug it.

Possible changes might be for investors to be able to take their tax relief in either the year of investment or the year previously. Funds would have up to two years in which to find suitable companies to support, increasing the chances of backing winners.

An alternative might be for relief to be given when the investor puts money into the fund, with the fund manager then under a reasonable time limit to make the onward investment in prospective companies.

Among other areas where changes might well assist in *getting venture capital* where it is needed most are companies with overseas subsidiaries. These at present cannot qualify, yet many small high technology companies with large overseas markets may have had to set up foreign marketing subsidiaries just to get off the ground. Anyone selling to the U.S. Government or Defense Department will have soon discovered this.

Another problem is that investments can only qualify for tax relief after the company being backed has traded for four months. Trading means exactly that—selling goods and services. This means that companies cannot be backed under BES when in the development stage, which again militates against high technology.

Management buyouts cannot be funded either. The way round this is to form a new company, but it then has to trade for four months under its new name, which most people think is daft when it is already, in fact, a going concern.

Another rule forbids BES companies to have partly-owned subsidiaries. This causes problems when the backers want the manager of a partly-owned subsidiary to be in charge of the main business's expansion. This could be relaxed by letting active managers have interests.

Software houses are examples of companies hit by another rule: BES companies are not allowed to have royalty or licensing income. Yet that is the way many software houses obtain much of their revenue.

Consensus to change the rules seems universal among fund managers. So far, people have had to go to expensive, time-wasting lengths to fit some companies to the profile demanded, even though they have been of exactly the type deserving help.

In brief . . .

PROFESSOR Yasuyuki Hamada, associate professor at Japan's Hokkaido University, and a specialist in business finance and banking, is to spend nine months at Durham University Business School studying UK small business. He will be looking particularly at small business policies, notably financial, in the UK. "It is my view that if we want stable economic growth without unemployment we should encourage entrepreneurship and have national policies to generate small businesses," says Hamada.

•

THREE companies on the final shortlist for the Design Council's Production *Engineer's Design Prize* were small firms, all making good use of microprocessor technology to solve manufacturing problems and to improve efficiency. Particularly mentioned by the Design Council was Fibracon Twin, which is based at Whaley Bridge, Stockport. It has designed a system enabling operators to alternate between computer numerical control and manual control of lathes, thus enabling operators to alternate between computer numerical control and manual control of lathes, thus enabling components to be machined to a high level of precision. Judges thought this was an innovative and neat solution and improved precision while keeping the process cost-competitive for a small company on limited batch production.

A disciplined approach increases the chances

The HOW TO of...

CUSTOMER CONTACT

SELLING INVOLVES an unnatural social relationship. The tension it causes on both sides can deflect people from their purpose. This even applies to "born salesmen," which most small business people are not. Constructing a disciplined approach will increase the chances of success while making the selling process less of an ordeal.

But it is important to recognise the prospect of failure. Rejection often drives people back into their offices or factory units so laden with gloom that they put off their next foray into the marketplace. If customer contact is structured properly, *failure to sell can be used to* improve chances next time or with someone else.

First, get the foundations right. Start by defining objectives—but in terms of the customer's needs, not your own. You might need to shift 200 gross of widgets to pay next month's wages. Your purpose must be to persuade Mr Prospect why he actually needs that many.

This requires sensible research. Find out as much as you can about Mr Prospect and his company, such as name, age, position, educational background, aspirations, ability and authority to buy, best time for appointments, personal peculiarities, recreations, who owns the company, and what are its markets and market position, organisational structure, buying practices and creditworthiness.

Likely sources include colleagues, other customers, fellow members of clubs, trade associations or chambers of commerce, receptionists, local papers, the trade press, local authorities, directories, and personal observation. Always remember the old army maxim that time spent in reconnaissance is seldom wasted.

Equipment comes next. A notepad and pencil are needed, together with visiting cards, a diary and brochures, samples or their like as a minimum. Visual aids to explain yourself better might be needed.

Only now are you ready to take the plunge by trying to "open the sale." The aim is to get a two-way conversation going as soon as possible. If you say, "Good morning Mr Prospect. Can I interest you in 200 gross of widgets?" you will almost certainly fail. But, "I've got something here which should boost your turnover, increase your profits and solve your widget supply problem," will have a much better chance — which emphasises why you need to do your homework first.

You should have rehearsed your presentation—try acting it out with a colleague or your secretary. Emphasise key words to make them stand out and stick—such as "customised service," "price concessions," or "special credit terms." Don't gabble, but don't go so slowly you sound patronising or boring.

Look Mr Prospect in the eye and try to appear friendly. Smile when you can. Remember that his natural tendency will be defensive, so avoid conflict and do not threaten.

When Mr Prospect raises objections, listen and do not interrupt. Pause and think. Explore the merits of his point. *Probe to see if there are other objections behind the first excuse he offers for not buying.* "*The price is too high,*" may really mean, "I've got a cash flow problem."

Find ways round objections that will help him. Never argue. Meeting objections head-on leads to conflict. Be self-effacing, taking the blame for "misunderstandings." Make it easy for him to say yes. When you think he is near that point, ask for the order. That may seem obvious but it is one of the hardest things to do and even hardened salespeople have to work at it continuously in training sessions.

Now shut up. Say even one word and you will give an excuse to re-open objections. But if the reply is no, do not look *crestfallen; see the meeting as the opening of a dialogue.* Leave some promotional material and your card and say you will keep in touch. At least your name will be on his network.

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M Delors sets the tone

THE SPEED and smoothoess with which M Jacques Delors, President-elect of the European Commission, has secured agreemeot on the allocation of portfolios among his 13 fellow commissioners, represents a welcome contrast with the acrimonious haggling of the past and a happy augury for the future. It may be a moot point how he did it — by force of character, skilful persuasion, or personal and national prestige. The essential fact remains that the decks have been cleared for the individual incoming commissioners to get to grips, right away, with the policy problems that will face them in January, and for the president and his colleagues to start working out a coherent collective plan of action for the next four years.

By traditional standards, the new Commission looks like an inexperienced body, since only four of the 14 have previously served as members of the Commission; it may take the newcomers some time to work their way through the bureaucracy, and to decipher the Euro-babble.

Business-like

In terms of national political experience, by contrast, the new team ought to be rather impressive, since it includes four former finance ministers and one former foreign minister.

As on previous occasions, some of the smaller countries (Belgium, Holland and Denmark) have tried hardest to send leading figures to the Community; they depend most heavily on the success of the Community, and Europe offers a larger stage for their aspiring politicians. But it is striking that France, too, has followed this pattern, by sending two former ministers (Delors and Cheysson) to Brussels.

In terms of national priorities, the distribution of roles has been skilfully done. Holland's Frans Andriessen gets agriculture, Germany's Karl-Heinz Narjes gets industry, Britain's Lord Cockfield gets the internal market, and so on. By the book (and by oath) commissioners are supposed to be entirely independent of their national capitals; yet since it is inevitable that they will have the closest communication with their national governments, it may also be desirable that there should be some judicious matching between nationalities and portfolios.

If the collective virtues of the commissioners-elect look like making the oew team more effective and business-like than the outgoing body, there will be many to welcome it; too often in the recent past, the Commission has seemed weak and ineffectual, and current discussion of the future of the Community now routinely includes suggestions of formal innovations for reinforcing the status of the Commission in the decision-making process.

In the last resort, however, the authority of the Commission depends on the quality of its work and on the character of its leadership. The departure of Vicomte Etienne Davignon, Industry Commissioner, is much to be regretted; but the general reputation of the present Commission has been set by the less impressive figure of Gaston Thorn, its President. The reputation of the new team will depend essentially on Jacques Delors.

The single step which would most sharply highlight the Commission's role, would be a generalised move towards majority voting in the Council of Ministers, as suggested in the draft report of the Dooge Committee; for this would reinforce the Commission's function as the source of policy proposals before the Council. But it would also redouble the responsibility of the Commission for the judgment with which it approaches its task and the skill with which it carries it out.

Perhaps there will be no generalised move to majority voting, and decision-making will remain slow and sticky. Nevertheless, Jacques Delors will have one advantage denied to his predecessor: he takes office at a moment when there is a widespread resurgence of hope and expectation that the Community must, somehow, break out of its long stagnation. The new President's primary task, when he presents his programme of action to the European Parliament in the New Year, will be to identify those policy advances which are most necessary for the Community, and which should be most acceptable to the member states. It is a fair bet that one element of his programme will be a strengthening of the European Monetary System, since that is the portfolio he has chosen to keep for himself.

Dilemma over London's airports

THE DEBATE about London's third airport may have been based on a false dichotomy. As Mr Graham Eyre, QC, the lawyer who has been patiently sifting evidence for the past 3½ years, pointed out in his long-awaited report, a fifth passenger terminal at Heathrow and the expansion of Stanstead need not be regarded as mutually exclusive alternatives: the Government could logically opt for the expansion of both airports. This conclusion might seem designed to maximise the Government's discomfort. Expansion at both Heathrow and Stansted threatens to infuriate two sets of local residents; yet expansion at only one may, after Mr Eyre's evidence, be harder to justify.

Both sets of lobbyists can exploit Mr Eyre's report. If a fifth terminal at Heathrow is proven both feasible and desirable, then Stansted residents will point out that there is now no need to shatter Essex's rural calm. But those, such as the British Airports Authority (BAA), who want to develop Stansted, can reply that since Mr Eyre has conceded that Stansted should be developed, why should Heathrow residents be burdened with yet more noise, pollution and traffic from an unnecessary fifth terminal? The Government remains in the hot seat; there is no option it can take which will avoid criticism.

Mr Eyre is careful to explain why he thinks dual expansion is necessary. A fifth terminal at Heathrow, involving the relocation of the Perry Oaks sludge works, would take at least 10 years to build and, it is contended, could not meet projected traffic demand between 1990 and 1995. But Stansted's development could be completed by 1991. The issue is not just timing. Stansted, argues Mr Eyre, makes sense as a medium-sized airport like Catwick, but not as a large airport; its passenger capacity should be limited to 25m a year and ideally kept down to about 15m—the capacity provided by a fifth terminal at Heathrow. But an extra 15m of capacity would not be sufficient to meet air transport needs into the next century, hence expansion is needed at both sites.

The most valuable part of Mr Eyre's report is arguably his demolition of the argument that Heathrow cannot be significantly expanded. He argues convincingly that the ceiling of 275,000 air transport movements, agreed partly to placate local residents, is unjustifiable and should be lifted, and that the environmental impact of a fifth terminal on the Perry Oaks site has been greatly overstated. Expansion of Heathrow and the expansion of Stansted would both help to ease its chronic drawbacks—inadequate road access, overcrowding and the absence of a direct British Rail link with central London—should be a high priority.

Dependent

The parallel development of Stansted looks less easy to justify. Mr Eyre's case is highly dependent on air traffic growth projections. One response will be that if a temporary shortage of capacity were to emerge before Heathrow's fifth terminal was completed, regional airports such as Birmingham and Manchester could help take up the slack.

It is also arguable that no shortage of capacity would actually materialise. Air traffic growth has been consistently over-estimated: in the early 1960s, it was feared that Heathrow and Catwick would be swamped by 1972. Forecasts are currently especially uncertain because of the rapid development of telecommunications on business air travel is unknown while the building of a Channel road/rail link could cut European air traffic. The biggest unknown is the effect of liberalising air fares in Europe, which is likely over the next decade. Total air travel would doubtless expand, but the impact on London is uncertain. In the U.S., internal "hubs" have seen much faster traffic growth than international airports such as JFK. The UK might cease to attract an abnormal share of air traffic.

The uncertainty about the growth of air transport suggests the Government should not rush into constructing a second Gatwick in Essex, especially if Heathrow can be expanded. But it should be made clear that the airport remains on standby and that development will occur as and when traffic projections make it unavoidable.

CRISIS AT BNOC

Retreating, not retiring

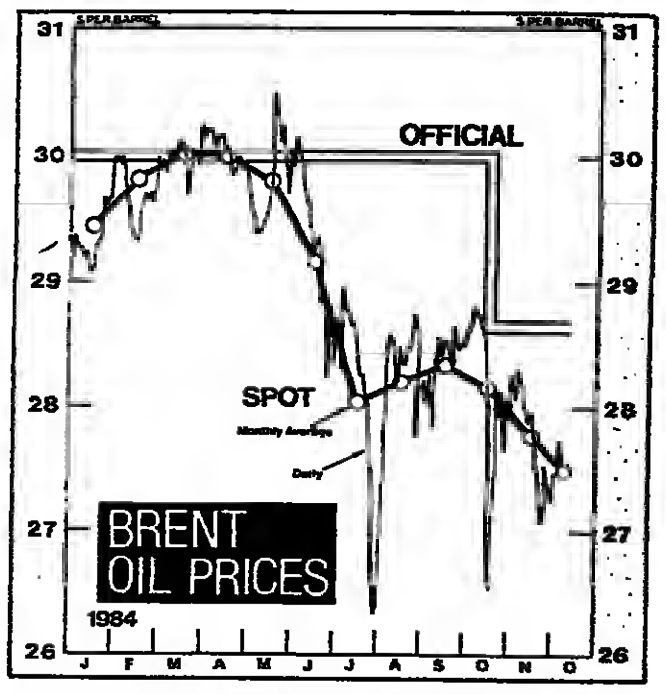
By Ian Hargreaves and Dominic Lawson

WHEN Mr Alick Buchsnan-Smith, Britain's Energy Minister, left for China 12 days ago, at the head of an oit iodustry sales mission, his mind was not particularly exercised by North Sea oil prices and the future of the British National Oil Corporation.

A few days before his China trip, in an interview with the *FT*, *Mr Buchanan-Smith* delivered himself on the then standard line aboul BNOC — that an internal review had been conducled earlier in the year aod no changes In BNOC's operating methods were contemplated.

Today Mr Buchanan-Smith will appear before the House of Commons Energy Commiltee to be cross-examined upon how the Covernment proposes to deal with the crisis at BNOC.

IAN COSKIRK
British National Oit Corporation's chief executive



By switching to priees based on a monthly average at spot prices, BNOC hipes it will not be taking customers and suppliers for too humpy a ride.

ALICK BUCHANAN-SMITH
Minister of State for Energy

In the last week, that crisis has emerged at surprising speed, to the point where it is now clear that BNOC's traditional method of setting official quarterly prices for North Sea crudes will have to be abandoned hy the end of the month, with potentially major ramifications for the structure of world oli prices.

Seeing BNOC totter, its enemies bave taken the opportunity to remin a free-market-minded Government of the anomalies of it trying to fix oil prices through a nationalised trading company. Calls for BNOC's abolition or for it to be cut down to size have mullilplied—although mosily in prvate. The ol industry prefers to conduct its campaigns that way.

How did BNOC, which trades about a tenth of the oil which changes hands in Western Euprope eacb day, reach sucb a pass? And what will bappen next?

The reason for BNOC's difficulties is that in July both BNOC and the Government decided tt was in the UK'a national interest to resist falling world oil prices. They did so, as Mr Ian Coskirk, BNOC's chief executive, confirmed last week, in the belief that following a meeting in Vienna, Opec ministers would restrain production and defend their own official prices sufficently to counter oli market nervousness ahout a rash of cut-price Opec barter deals, notahly Saudi Arabia's jets for oil swap with Royce-Royce and Boeing.

"You cannot stand in the way of a market, hut yon can perbaps give the market a possibility of pausing for breath," Mr Coskirk told the Commons Energy Committee. "We have felt on one or two occasions since March 1983 that there was a great deal of sense in doing that."

BNOC's part in the operation was to tell customers that it would not cut its official Brent blend price, then $30 a barrel, for the third quarter. Mr Bucbanan-Smith did bis bit by writing to the oil companies, wbo depend upon his good graces in aecurlng North Sea licences, asking them lo avoid pulting pressure oo BNOC.

As lhe chart sbows, prices recovered slighlly, but not lo official levels. BNOC continued to huy at $30 aod to aell at apot prices as low as $27 — racking up record tradiog losses and causing the Government In September to prepare for a special grant of £45m to bail BNOC out.

Meanwhile BNOC's customers, not interested io buying oil above lbe market price, started to desert. By lhe tlme BNOC got into the fourth quarter, the cuslomers were still departing and not even a price cut to $28.65 would hold them. BNOC was forced to sell more and more of its oil on the spot market—over half lts daily 800,000 harrels are being sold that way now.

At the time, the July manoeuvre looked like a risky piece of blaster, whicb the market would soon quell. With hindsight, it is clear that the BNOC-Government move was a major miscalculation which failed In lts objective to settle the market, disrupted BNOC's relationships with its customers and made a mockery of the idea that Opec's more trouhled members were likely to respond or even capahle of making use of BNOC's breathing space. Nigeria, Iran, Abu Dhahi and Indonesia all continued to overproduce or to offer discounts or both. Overall, Opec production entered a more restrained phase — about 16.5m b/d — but that was not enough to nnderpin the market.

But even this does not explain fully BNOC's behaviour since the corporation could have moved quickly to bring lts final quarter prices In line with the market and, in effect, returned to its policy of the first half of the year, when its trading account was in the hlack.

"BNOC was always market responsive before." saya one of many puzzled oil industry people. "We could counl on it, but not any more."

No public answer has been given lo the question of why BNOC failed to cot iis fourth quarter price prompily and sharply—apart from the usual reluctance of the British Government to see prices and, therefore, tax revenues fall. But the word from inside BNOC is "retaliation"—Opec threalened to cut even further to drag prices to a point which would alart to make some North Sea production uneconomic.

> Some oil companies wanted to use BNOC's plight as an opportunity to reopen the entire question of its future

If true, BNOC was responding to the standard Opec threat, which British energy secrelaries have heard before. But there is no doubl that in recent days the Department of Eoergy's main poilcy goal bas been to lower BNOC's profile as a price-setter, having deliherately pursued a policy of raising lts profile in July. At a simpler political level, this motive translated Into a desire to balt BNOC's trading losses, which had started to reach emharrassing proportlons.

BNOC and the Department of Energy therefore set to work as quietly as possible to consult the oil companies on a new pricing method, more related to spot prices and covering shorter periods than a whole quarter.

But as the consultations got under way, it became clear thot some oit companies wanled to use BNOC's plight as an opportuoity to reopen the entire question of BNOC's future. They were given encouragement in this direction when they started to hear similar sentiments emerging from the Prime Minister's Office, althougb Downing Street stoutly denies it is involved in any formal BNOC review.

The oll industry's criticisms of BNOC centre on four points:

● That in allowing official prices and spot prices to drift so far apart, companels have been encouraged, for tax reasons, to selt large quantities of oll in the spot market and then buy back simllar volumes. This "spinning," some companies believes, destahllises the market by multiplying the number of trades.

● BNOC, some companies say, has too high a profile in the oil market, precisely because it has too much oil. Why not, they argue, go back to taking oilfield royalties in cash rather than oil and renegotiate oil company particlpation agreements with BNOC to reduce from 51 per cent to, say 10 per cent, BNOC's entitlement to crude? "We could seli the oil perfectly weli ourselves," says one executive. "We don't need BNOC." Some believe that the UK ahould awitch to a U.S.-atyle system wbereby the customers of oil producers—the refiners—post prices.

● BNOC is also criticised for continuing to behave like a fully-fledged state oil company, even though it was ahoro of its production assets with the privatisation of Britoil three years ago. BNOC officials still sit on the operatlng committees of North Sea joint ventures, wlth voting rights up to 20 per cent and are regarded as "spies" hy some oil companies.

● Some oil companies think that BNOC's role as a price setter gives it unacceptabte "insider" information in the markets, which BNOC uses to the advantage of its own trading account. BNOC denies this, but there is certainly a wblff of conflicting interest.

Energy ministers would prefer not to re-open any of these questions. They tend to share the vlew, set out last week by Lord Croham, BNOC's chairman and a former Treasury Permanent Secretary, that BNOC is to tbe Department of Energy on oil prices wbat the Bank of England is to the Treasury in foreign exchange management.

In all probability, Mr Buchanan-Smith will today signal approval for BNOC's proposed spot-related, monthly pricing system which will be designed hoth to eradicate the "spinning problem" and to cast a web of mystification over BNOC's price-setting machinery to shield lt from the glare of Opec.

He will also no doubt reassert the usefulness of BNOC in securing oil for the UK in a 1973-type supply crisis and point to the taxation difficulties involved in monitoring inter-company transfers of North Sea oil if BNOC does not set prices (even if this is done according to a spot market formula).

Privately, however, few officials press these arguments too far. They know that the security of supply requirement could be met in some other way and that taxation policy could be enfrced by establishing a "tax reference" oil price, as is the case in Norway, for example. Indeed, one of the detaila BNOC will have to sort out about its proposed new price system is what prices will be declarahle for tax purposes.

The real reason for keeping BNOC is not security of supply or tax monitoring or even, in alt probability, the Government's desire to snoop on the operating committees, since it has extensive powers through the licensing procedure to find out as much as it wants to do about activities in the North Sea.

The reason, aa Mr Goskirk did not really attempt to conceal tast week, is that BNOC and on stated intentions so far the Government wants to be able to interfere in the oil market, to prevent prices falling too sharply if lt can, at a time of chronic world oversupply and weak demand. Its new policy is not to avold intervention, it is to appcor to avoid intervention. There is little doubt that if, in a year's time, BNOC thought market conditions woutd premit it to return to a less flexlhle system of official prtces and tonger contraet periods lt would do so. BNOC is retreating, not retiring.

If the Government wants to divert BNOC from this course, its simplest and most effective option would be to reduce the amount of oil at BNOC's disposal aince, as Mr Coskirk also argued last week, you cannot throw your weight around in the oll market without a "substantial volume of oil." If BNOC is allowed to keep its 800,000 h/d, a figures which has risen with rising UK production, lt will be assumed that the Government wants BNOC to remain a big player.

Whether any of this will make much difference to world oil prices is another matter. With the world refining industry still suffering heavy overcapacity and economic growth slowing down, the underlying trends suggest continued price weakness. One month into another mild winter and maybe even, an end to the UK coal miners' strike in sight, shorter term factors also point to lower prices.

When Opec ministers meet in Geneva next week, they will no doubt rage about British policy allowing official prices to chase the spot market. But with at least half of Opec's own oil changing hands at discounted or barter-based prices, they know only too well that, like BNOC, the superstructure of their official prices bears precious little relation to the foundations of the business.

View from the bank

No seasonal cheer was offered yesterday by Fritz Leutwiler, who is moving from the presidency of both the Bank of International Settlements and the Swiss National Bank to bead the engineering concern Brown Boveri

He told my man In Basle he is teaving central banking "in rather a gloomy mood about the economic outlook for western Europe."

He elaborated: "We don't have a favourabte environment for private economy. There's too little incentive for investment." Reasonable growth rates, he aaid, were needed tn reduce unemployment.

But Leutwiler was atill enough of a central banker to add that monetary relaxation would be Inflationary and would not create more jobs. Environmental protection regulations were too restrictive, he argued, and protectionism needed to be whittled away. Tax cuts were also needed to help restore growth in Europe.

Yesterday's BIS meeting was Leutwller's tast and it brought to more than 100 the number of monthly gatherings of centrat hankers in Basle in which he has participated.

His worst moment, le admitted yesterday, had been wben Brazil did not repay a bridging loan from the BIS last year. De La Rosiere, managing director of the IMF, went to the Brazilian Government to tell tbem, "Leutwiler means it—he wants the money back."

"They paid," he recalled with satisfaction.

New issues

A good omen in the form of a hull, is being highly prized hy Process Systems, the latest U.S. company to join the London stock market.

Stock market butts are not the only horned animals to have been pawing about rather uncertainly in the U.S. recently. Lawson Hamilton and Frank Hoff, chairman and vice-president respectively of the U.S. maker of mlcroelectronic control gear, have been experiencing a little trouble with a buli of their own.

Their bull is the biggest resident of their joinily owned ranch in South Carolina. But until recenily it bas disappolnted its owners by failing to produce any offspring.

Hamilton and Hoff decided to rename the troublesome heast porate finance partner with De Zoete & Bevan, the brokers handling their London issue.

They meant no disrespect. It was just that Townsend professed to he bullish about their company's prospects.

By one of those whlmsical quirks, back in hte U.S. the hoofed Townsend's prospects at once perked up. He is now a happy father.

Hamilton and Hoff are hoping that their other new issue will be just as fruitful when It is deilvered to the London stock market on Thursday week.

Men and Matters

"Our oldest inhabitant — he can remember borse trams, gas lights, the first Stansted protest meeting. . . ."

Making waves

Whitehall scrutineers are believed to have completed a Rayner-style efficiency study of the BBC's Exteroal Services. And there are wbispers thal the report Is not entlrely complimentary about either the Beeb's management or the way in which the Foreign and Commonwealth Office monltors the spending of £78.5m from its hudget.

What nohodyl seems lo know is whether thet report is going to be published — and if so, when.

Mrs Thatcher may have seen a copy. She made a tart commeni in the Commons the other day about how the BBC has "a duty to give full value for money and to run their services efficiently."

Bul in other quarters there is some confusion about the issue. As tate as tast week the BBC'a Press office was saying thal the report had not yel been received.

The FCO, on the other band, said that the study had been on Ministers' desks — and on those of the chairman and governors of the BBC — since November 9.

The BBC is understood to have asked fo rthe report itself. Bnt one incredulous official remarked: "The governors asked for il? Yeah, just like they asked for Peat Marwick Mlicbell to investigate the domestic side, no douht."

Private life

Hugb Jenkins bas moved from the puhlic to the private sector with impressive speed.

He has now been recruited to run the Heron group's U.S. activities from a base lo Loa Angeles—balf a world away both professionally and geographically from his London job of managing the National Coal Board pensions funds.

Jenkins, aged 51, disclosed last week that be was leaving his NCB funds chair.

Gerald Ronson, chairman of Heron, first offered him a top joh a *full* 18 months ago. Jenkins refused at that time because of his NCB commitments.

At coal, Jenkins bas been responsible for managing £6.3bn worth of assets. The Heron group cannot match that. But its U.S. interests include a mortgage bank with a $900m portfolio, a savings and toan association with deposits of $1.5bn, film financing, video cassettes, and property.

As for North America, he knows lt welt. The NCB pension funds, under bis direction, bave huilt up direct investments there of more than $700m in real estate, hotels, iimber, venture capital, and oil and gas.

Hard words

Tasmanian politicians, it seems, do not mince words. Political invective bas flourished in the island more than in any other part of the Commonwealth during the past year.

Parliamentary exchanges bave been enlivened by such descriptions of MPs aa "thick as a bit of four-by-four" . . . "sanctimonious so-and-so". . . "little left-wing lightweight". . . and "little standover Cestapo man." But accordin gto The Table, journal of Commonwealth parliamentary officials, a much tighter rein was kept on parliamentary language in other legislatures.

In New Jealand, it waa ruled oul of order to refer to a group of MPs as "shivers looking for a spine" or to what they had lo say as "codswallop."

In Australia, "twit" was considered just aa offensive as "halfwit" or "dolt." While MPs in India were frowned on for shouting "rubbish" and "nonsense," let alone having the nerve to describe an oppooent as "shameless."

Observer

Letters to the Editor

Investing in ourselves

From Mr G. Radice, MP

Sir,—For once Malcolm Rutherford (December 7) is below his perceptive best. To claim that Sir Keith Joseph had "a political triumph" over student grants and fees is frankly perverse. Here was the Secretary of State for Education and Science stubbornly resisting any change on Tuesday, yet in the following afternoon having to announce to the House an humiliating climb down. After Tuesday's traumatic meeting of Tory backbenchers he was forced to drop his central proposal, the charging for fees, and to cut back by nearly half his cherished increased in the money going to science. Scarcely the stuff of which political triumphs are usually made!

It was by any standards a famous victory for the Government back benches who alone in his Parliament have the voting strength to change the Government's mind. Yet the public display of power over this issue makes the Tories extremely vulnerable to the charge that they are only prepared to use their muscle when it involves the interest of their own supporters. Where are their revolts on the reduction in pensioners' heating allowance, or the cuts in regional aid, or over unemployment itself?

As to the Labour Party, we oppose Sir Keith's proposals from the first in speeches, statements, letters and Parliamentary questions. Clearly our motives were different from those of the Tories. Unlike them, we believe that the better off should have to pay more. There is however, no reason why particular groups of parents and students should have to finance the increase in the science budget from which the whole community benefits. That ought to be the responsibility of the taxpayer.

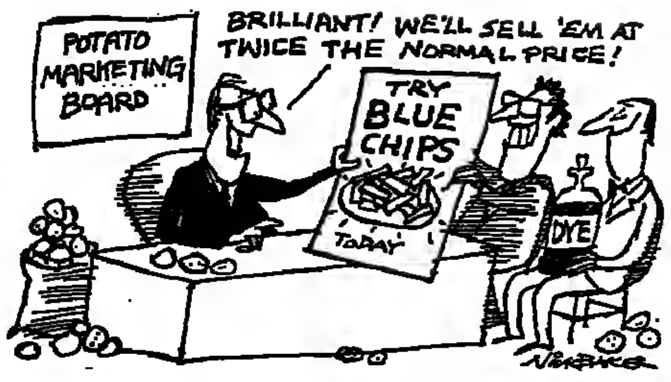
We are also strongly against breaching the principle that parents and students should not have to pay fees. It is true that, under Sir Keith's proposals, charges were to be confined to the relatively wealthy. But this is potentially the thin end of a very thick wedge. The possibility of extending charges to less well off parents would provide the Secretary of State with a pot of gold from which he would not be able to resist drawing. In addition, the abolition of the minimum grant breaks the convention that every full time student, who for other purposes is considered an adult, should receive e grant es of right. It also increases the difficulties of those students whose parents refuset o contribute tot helr education.

The truth is that the Government is in a muddle over student support. The real value of the grant has fallen in each year since the Government took office and is now 14 per cent below its 1978-79 level. The Government plans another real cut of 1½ per cent in the coming academic year. Yet the grant, inadequate though it may be, does not cover part-timers, who both the University Grants Committee and the National Advisory Board say ought to be encouraged; while financial arrangements for the 16-19 age group are even more confused. A 16-year-old gets a £26 a week allowance on the youth training scheme, but there is no mandatory grant for staying on at school or going to further education college.

The whole system clearly needs e major overhaul. I have urged Sir Keith to set up a review of financial support for all those involved in post-16 education. It must be independent and not just an internal cost cutting exercise. It also has to consider all the options including increases in taxation on the better off, as well as loans. With respect to loans, I strongly suspect their deterrent effect on pupils from poorer and working class families as well as their inefficiency are likely to prove overwhelming arguments against their introduction.

The main purpose of such an exercise should be to examine how the nation can provide the financial backing that si necessary to open higher and further education to a much wider group than ever before. Investing in post-16 and higher education is not only e benefit to the individuals concerned but, as the experience of our main industrial rivals shows, is also essential to our country's future.

Giles Radice.
House of Commons, SW1.



The price of potatoes

From Mr J. Fuller

Sir,—After a very embarrassing week for the Government we learn on your front page (December 6) that it has wriggled out of its student grant dilemma at a cost of £21m in 1985-86. Turning to the commodity pages we read that the Potato Marketing Board is asking for a similar sum of money from the taxpayer in order to force up the price of potatoes against the consumer be they tax payers or on social security.

It would also appear that the PMB has already contracted to buy 448,000 tonnes at a cost of over £20m with money it does not heve aa yet, purely on a promise from the Ministry of Agriculture that the money will be forthcoming. How is it that Sir Keith Joseph has to endure a major political row for a week for a similar sum when somebody in the Ministry of Agriculture can give it away with such ease?

The PMB will no donbt argue that not all the money spent buying potatoes under contract will be lost as it will sell some of them. To whom one might ask? Possibly the processors of crisps and frozen chips who will then not only get cheap potatoes but also be removed as buyers in the open market thus defeating the object of supporting the open market price. As potatoes cannot be stored indefinitely and released on the market to belp in a year of scarcity such as last year, then the resl will be used as a very expensive form of pig swill.

The other major point is that there is no equivalent of the PMB in Holland and under EEC regulations it is free to export as much as it likes to this country, so that if the price is propped up at great expense to the British taxpayer, this bard pressed creature is also helping to line the pockets of the Dutch growers.

One wonders why a body such as the PMB exists at all? Why should potatoes be given preference for a price support operation over other vegetables? Carried to a logical conclusion there should be boards for carrots, brussel sprouts and cauliflowers. Fortunately, these do not exist, which is why no doubt these vegetables offer the consumer such excellent value at today's shop prices.

There used to be a Tomato and Cucumber Marketing Board, but thanks to the efforts of the late Jack Merricks this disappeared. The sooner the PMB goes the same way the better for us all.

John H. Fuller.
15, Aberdour Road,
Ilford, Essex.

Helbert Wagg was right

From the Earl of Buchan

Sir,—I read your paper carefully every day and have done so for many years.

Each page I believe has its special purpose and does the editorial one not record humorous, unusual or extraordinary events under the "Men & Matters" heading?

I could not therefore make out what a perfectly straight forward piece of reporting on the Helbert Wagg method of conducting a new issue was doing there on December 5. It seemed to me end I even examined the article upside down to make sure that nothing was being missed, that there wasn't anything particularly humorous, unusual or extraordinary about the procedure adopted by Helbert Wagg. Sensible and what should be done in e properly run world was how it struck me. On questions of detail as to the actual rankings, they seemed to me as correct as could be devised in what must always be a somewhat sensitive field — who is to say for instance that a mistress should be ranked with a Duke, girls being known to be touchy in these matters but the simplest scale must always be the best one.

I am drawn to the conclusion that somewhat careless sub-editing may have left off the end of the last sentence which must have originally read "needless to say the shares went to a substantial premium" "as is customary when this right, prope rand well tried method is used."

Buchan,
Garrard House,
Gresham Street, E.C.2.

Opening up opportunities

From the Chairman, Air Call.

Sir,—After the pronouncement made by the Chancellor of the Exchequer, there have been statements by economists, Francis Pym and speeches by Peter Walker and the Earl of Stockton, all underlining the feeling within the Conservative Party that not enough is being done to reverse the unemployment trend. Thinking Tories realise that pouring money into social projects or lame duck industries, will only increase inflation. It is however felt that many self-financing private and public schemes are being blocked or prohibited for unsatisfactory reasons.

Our company is suffering from just such a situation. In August we proposed to the Minister, a revolutionary scheme to use a large block of spectrum in the vacant TV band. If such a scheme were adopted it would make available to the business community a national business radio service that complements the new cellular services. Such a service could rebuild the whole of the British (home and export) radio telecommunications industry and allow "service providers" the opportunity to create similar situations and markets in many overseas markets. The position of cellular radio is not so favourable for British industry.

The Prime Minister and her Ministers make statements supporting creation, opening up opportunities; the smaller entrepreneur; the breaching of technology barriers and export pioneering. The Government's actions must not be seen to belie its noble sentiments.

J. O. Stanley.
176-184 Vauxhall Bridge Road, S.W.1.

Turning to the microchips

From the Director-General, Electronic Components Industry Federation

Sir,—Certainly it is good news, es Guy de Jonquieres wrote on November 23, that Britain is turning to the microchip at astonishing speed. But his implication that the source of supply scarcely matters must be challenged. All electronic products are assembled from, and wholly dependent upon, integrated circuits and other electronic components.

Without a bealthy indigenous industry, able to design as well as supply such key components, UK manufacturers will sooner or later become critically dependent on overseas suppliers, with some or all of the following likely consequences: (a) the performance of equipment being increasingly determined by that of components, close liaison between equipment designers and component designers is crucial; at a distance of several thousand miles, this is difficutt. (b) new components of advanced performance will naturally and inevitably first be made available to, and applied by, customers close at hand; thus Britisb equipment makers are likely to get delayed access to the latest component technology. (c) similarly in times of shortage, local equipment makers will naturally tend to get priority over British customers for supplies of key components; (d) political intervention by governments may block the supply of foreign components to Britain or our exports of equipment incorporating them: apart from the commercial implications such a situation could well threaten British defence capabilities.

The British components industry is willing and able to face up to international competition on level terms. But the fact is that world markets in components are distorted greatly to our disadvantage by a variety of factors—some structural in origin, some the result of deliberate policies by governments of competitor nations which bave identified this sector as of vital importance.

If Britain also accepts the need for a strong electronic components industry, then action is needed on a number of points:— (i) Component purchasers (including indirect purchasers such as Ministry of Defence and Britisb Telecom) must recognise their long-term interest in a healthy indigenous industry — and act accordingly; (ii) the Government must get its priorities right (Mr Geoffrey Pattie's review of DTI support to industry offers a timely opportunity) and follow, consistently, policies wbicb can help to redress the balance currently tilted against the industry *vis à vis* its competitors; it must also do everything possible to improve the supply of engineers and scientists on wbom the industry depends; (iii) the industry, given sucb co-operation from its customers and the Government, must and will increase its investment in R and D, in expansion, and in continuing modernisation of plant.

Only by such a concerted effort will Britain have an industry able to supply the electronic equipment and systems makers with competitive components of the performance, quality end reliability that they need.

R. H. W. Bullock.
7-8, Savile Row, W1

The UK aid programme

From the Director, Export Group for the Constructional Industries

Sir, — It was somewhat difficult to discern the precise points which Mr Robert Mauthner wished to make in his piece (November 23) on the Government's foreign aid philosophy, but out of the many statements and the selection of figures which he quoted one might have gained the impression that everything was going well with the British aid programme and that by comparison with our competitor countries we were not only giving a good deal of aid but were also using it in such a way as to benefit British business.

The figures for aid and the breakdown in 1982 (which appears to be the latest year for which internationally comparative figures are available) are given in the table.

Aid commitments 1982 (US$m)

	Bilateral	Of which grants	Multilateral	Total	Ratio
France	4,341	3,384	786	5,127	6:1
Germany	2,713	1,516	990	3,703	3:1
Japan	3,609	967	775	4,384	5:1
UK	1,112	1,045	898	2,010	1:1
U.S.	6,103	4,662	2,120	8,223	3:1

Readers will see from the table that the ratio of bilateral to multilateral aid is dramatically different in the British case from all major competitors.

The significance of the aid and trade component of the bilateral aid is also over-emphasised in the article Aid and Trade Provision (ATP) in 1983 represented some £33 million within a total bilateral aid programme of £692 million, in other words approximately 5 per cent of the total. ATP in relationship to total project aid was in the ratio of 1:7, in other words ATP represented 12 per cent of the total project aid. ATP is calculated to produce a return of around 5:1 in business for the UK per £1 of aid.

Another interesting thing about the British aid programme is the high proportion of the total bilateral aid which is offered in cash grants rather than in soft loans and such cash grants are often a large proportion of the total cost of a project. This may concentrate the effect of aid and reduce the value to the UK in terms of employment created.

Putting this all together suggests that the whole issue requires to be re-examined rather thoroughly. The case for aid on humanitarian terms is strong. The case for aid on enlightened self-interest is equally strong as we cannot live in a world where some countries have no prospect of economic development while others are relatively rich. The case for aid on the basis of a different kind of enlightened self-interest is also strong since western countries with high unemployment also have the skills and can develop the projects and make the products which the countries which are developing need. Of course there are judgements to be made in all these matters and balances to be struck.

But there is nothing wrong with devoting more of our aid to bilateral aid, as others do, or with using it to secure employment in the UK as others do for their own people. We could do better.

Peter McGregor
15-17 King Street
St James's, SW1

Just too tough on the kids

From Master R. Perry.

Sir,—Several days ago I received my returned application form and cbeque from British Telecom together with a letter saying this constituted a multiple application. I assume this was because my dad hed also epplied for some.

I applied for some sbares after seeing the advertisement on the television of cbildren phoning up British Telecom for information. This seemed a good idea to me so I did the same, and I eventually received my application form and details. My dad helped me to fill out the form and arranged for my cheque.

I am very disappointed to have been stopped from buying shares just because my dad applied for some. I think this is very unfar and I just woodered how many of your readers have disappointed kids like me.

Robert Perry.
27 Rectory Lane,
Houghton Conquest, Beds.

Trustee Savings Banks

Sir John Read (left) and Mr Philip Charton

'They could take on the world'

By David Lascelles, Banking Correspondent

WITH BRITISH Telecom ont of the way, and British Airways and the Royal Ordnance Factories well oothe road to privatisation, the Government is turning its atteotioo to another public sale, the Trustee Savings Banks. As indiceted in the Queen's Speech, legislation to transform this group into a public company will be put before the present Parliament, and the deal could go ahead in aboul a year.

But though it follows a string of divestitures, the TSB sale will be unique in many ways, the main one being that the Government does oot actually own it, though the Treasury is respoosible for it. In fact the TSB's ownership status is unknown, which makes it a fascinating legal anomaly and adds intribuing dimensions to its "sale."

● Because the Governmeot has no claim to them, the proceeds of the sale — wbich could amount to between £650m and £1bn — will stay with the TSB rather than go to the Treasury.

● The sale is not, therefore, seen by the Government as a revenue-raising exercise so much as another step in its policy to increase the private sector and stimulate competition in the financial services business.

● The sale will double the capital resources of the TSB overnight, wbich prompts the question of bow its relatively newly constituted management under Sir John Read, the former chairman of EMI, will bandle this windfall.

● The terms of the flotation will bave to be very tightly drawn to ensure that ownership really has passed to the new shareholders without any loose ends tbat would allow some other "owner" to claim wrongful dispossession.

● Even though the TSB has millions of customers, it lacks the clear-cut public image of BT or British Airways. Because of this, an intensive campaign to educate people as to exactly what the TSB is has already been lauoched.

Dewe Rogerson, the edvertising and public relations firm which handled the BT flotation, has been appointed to get the TSB message ecross. The merchant bank to the flotation will be Lazards. The TSB has said that staff and customers will be given priority in the sale, which has already prompted some eager investors to open accounts in the hopes of winning a high place in the queue. But there will be no special "come-ons" like free shares or vouchers a la BT. Priority will be in the form of share allocation.

The TSB is much better known in the north of England and Scotland, where it was founded in the early 1800s as a thrift institution "to help the poor help themselves." For mnch of its existence it was not allowed to lend: until 1947 all its deposits went straight to the Treasury to be invested in gilt-edged stock. Only 10 years ago it was still a loosely-knit group of 72 independent banks. But it had enormous strength at the grass roots. In many northern towns people will still direct you to the TSB when you ask for a bank.

Following the Page Report on National Savings in 1973, which recommended that the TSB be developed into the "third force" after the banks and the building societies, the TSB was streamlined round a Central Trustee Savings Bank. Further rationalisation came after the 1979 Banking Act when the number of TSBs was redneced to only four regional ones.

In 1982, the TSB decided to transform the banks into limited companies under a holding company called TSB Group plc which would be listed on the Stock Exchange. This is what the forthcoming legislation will eccomplish.

"We said we wanted to be among the big boys," said Mr Philip Charlton, the chief general manager at TSB group headquarters just off Cheapside in the City. "We are also looking for ownership and accountability."

Today, the combined TSBs have 1,624 branches and assets of about £10bn which puts them up with the larger banks and building societies. But they can boast 6m customers with a total 13m accounts, which is more than the likes of Barclays and NatWest. The group also owns a hire purchase business (acquired when it bought the financially troubled UDT in 1981), credit cards, insurance, unit trusts, a chain of garages and Swan National, the car rental company. The combination of this huge market, the breadth of business and the proceeds of the sale should upt the TSBs in an immensely strong position as a purveyor of personal financial services.

"If they get it right, they could take on the world," said an envious competitor.

Profits are also rising De Zoete and Bevan, the stockbrokers, estimate that last year's pre-tax profits of £124m will reach £200m next year, about two-thirds of it coming from banking operations.

But, rich orphan that it is, the sale poses an immense challenge to the TSB. With literally billions of pounds available to lend, it will have to resist the temptation to splash out on easily won but low quality business. Accordiog to Mr Ken Cherrett, the manager of business policy, the TSB will aim to buld its up-market clientelle (it is predominantly C1 and C2 at the momant), ase well as corporate customers and professionals.

And how will it spend its new millions?

Mr Charlton describes these strategic plans as "our inner secrets," but the group is clearly looking bard at both expanding its present business and finding something new.

The choices will be dictated by the TSB's aim to become a financial supermarket for the general consumer. "People need al sorts of financial services, and if they can all be put under one roof, so much the better," said Mr Charlton. One possibility is a merger with a building society: some talks bave already taken place.

One thing the TSB will have to do is strengthen its presence in the south, where it is thinly represented but where the greatest new customer potential lies. This should bring it into a head-on clash with the big clearing banks which are alreedy responding aggressively to the challenge from the building societies.

TSB does have an advantage in technology. It is the only major UK banking group to bave on-line real time computer terminals at its counters so that tellers can instantly summon and update the details of a customer's account.

But if outsiders do have doubts about TSB, they centre on the management's ability to cope with the upheaval.

TSB is aware of the problem: until recently many of its senior people were old TSB hands with little experience of the brave new world of finance. But under Sir John Read, the group has goneout and hired seasoned executives from banks, insurance companies and industry to beef up head office. Top people are being sent off to business school, oneof them to Harvard. TSB also has its own college in Solihull where starff are given intensive courses in management and marketing. Many time-servers have taken early retirement, but it could be a while before the new attitudes percolate through to all the branches.

In a recent report, Wood Mackenzie, the stockbrokers, detected signs ofstress on line management in the TSB's worsening bad debt record, which it puts down to the relative inexperience of lending among local managers.

But generally, the City is highly enthusiastic about the prospect of a TSB flotation, and most brokers' reports, including Wood Mackenzie's, expect it to have a major impact. Grieveson Grant has told its clients: "Given the right market conditions, we are confident that the TSB will provide investors with an outstandiog investment opportunity."

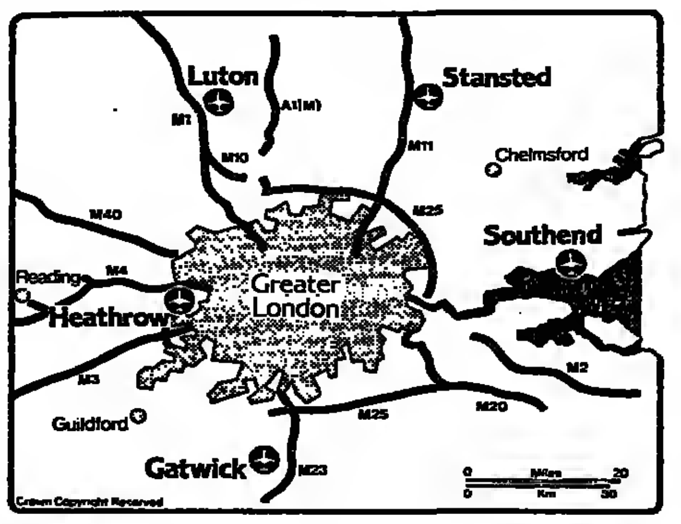
FINANCIAL TIMES

Tuesday December 11 1984

REPORT BACKS EXPANSION AT BOTH HEATHROW AND STANSTED

Row looms over London airports

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON



PLANS FOR the development of a fifth air terminal at Heathrow and expansion of Stansted in Essex have both been accepted as essential in a report on London's airports.

The report, by Mr Graham Eyre, QC, had long been expected to recommend one of the developments as the solution to meeting future airline traffic demands in London and South-East England. His acceptance of both plans is a surprise which will add new impetus to a political and environmental row about the future of London's airports.

Mr Eyre was the inspector at public planning inquiries held to consider the two plans. His report has taken more than a year to write. It says the "complementary contributions" of the plans provide "a flexible and well-balanced" method of meeting traffic growth into the next century and end all past uncertainties.

The only concession Mr Eyre has made is that instead of accepting the case for ultimate expansion of Stansted to 50m passengers a year, he has recommended initial growth to only 15m with eventual further growth to 25m but with only one runway.

The British Government faces a difficult decision over its airports policy. Instead of having to settle for one or another scheme, it has to decide whether to approve both, with the certainty of further bitter political and environmental hostility from all sides.

A major debate in parliament is expected, probably early in the new year, before ministers decide. But an announcement is not likely for some weeks despite the inspector's pleas for speedy decisions to end the long-lasting uncertainty.

Mr Eyre bas also firmly rejected any ideas of resurrecting previous suggestions for airports at Maplin, off the Essex coast; at Yardley Chase; and at Severnside in the Bristol Channel.

The environmental row about Heathrow is likely to be inflamed even further, in that the inspector has told the Government that its proposed limit of 275,000 aircraft movements a year there is "ill-advised and misconceived," and certain, if continued, to reduce the full economic potential of Heathrow.

The Government's problem here is that it not only pledged the limit as far back as 1979, for environmental reasons, but recently in parliament it reiterated its determination not to renege on that pledge.

ft bas subsequently been discussing with the airlines methods of implementing the limit – presumably confident that the inspector would rule out any further development at Heathrow.

The inspector's own findings now make it impossible for the Government to implement Terminal Five, as he urges, without throwing out the 275,000 limit.

In his report, the inspector gives the Government no room for manoeuvre. He stresses that the entire London airports problem has been dealt with in the past with uncertainty, in epitude, varillation and ill-advised and precipitate judgments.

"Hopes of a wide sector of the regional population have been frequently raised and dashed. A strong public cynicism has inexorably grown. Political decisions in this field are no longer trusted. The consequences are grave. There will now never be a consensus," be says.

The inspector bas added fuel to the controversy by totally rejecting the case put forward by airports in northern England for diversion of resources from the south to meet their own expansion plans.

He dismisses their arguments that government actions have hindered the development of northern airports. He says the future potential for those airports "lies substantially in the hands of the air transport industry."

The inspector's proposals were warmly welcomed by the British Airports Authority. It gets both Stansted, which it had always sought, and Heathrow's Terminal Five, which it originally opposed but now welcomes in view of the proposed longer-term restraints on Stansted.

British Airways welcomed the plan for development of Heathrow, but remained cool on the Stansted issue. Mr Colin Marshall, chief executive, said that development of Terminal Five ought to be expedited.

A bitterly critical note was struck by the North of England Regional Consortium which expressed continued hostility to any development of Stansted, arguing that it would deprive airports of resources.

Anything less than "a total commitment" to the development of the regional airports "would be a betrayal of those areas of the country already suffering massively from the current recession," said the consortium.

The environmentalist hostility was highlighted by the North-West Essex and East Hertfordshire Preservation Association, which declared itself "shocked and horrified" by the inspector's findings. It said that if Stansted expansion went ahead, the countryside and surrounding towns would be "ruined."

Editorial comment, Page f8

Pretoria charges six with treason

By Anthony Robinson in Johannesburg and Our Diplomatic Staff

SOUTH AFRICA yesterday withdrew "detention without trial" orders against 11 prominent members of the United Democratic Front (UDF) anti-apartheid grouping but promptly charged six of the 11 men with high treason, which theoretically carries the death penalty.

The UDF, a multi-racial umbrella organisation which claims 2m members, was formed a year ago to oppose the country's new parliamentary constitution.

The 11 were detained without trial in August under the internal security laws for organising a boycott of elections to the new chambers of parliament which offer a limited representation to the Indian and coloured (classified as mixed-race) minorities but which exclude the black majority.

Their detention without trial sparked a storm of international protest and was given wide publicity when six of them sought refuge in the British Consulate in Durban in September following their temporary release on a legal nicety. Three were re-arrested outside the consulate on October 6 and are among those charged with treason. The other three remain in the consulate.

In London last night, the British Foreign Office said the situation of the three men had changed fundamentally and that "we expect them to leave at once." A spokesman said the three bad always made clear that their reason for seeking refuge was because they were facing detention without trial.

While it was clear, bowever, that the British Government is anxious for the men to leave voluntarily, the phrase "expect them to leave at once" did not mean that they would be expelled.

International criticism of South Africa's draconian internal security laws and apartheid policies increased during three months of violence in the black townships and rose again following the arrest last month of prominent black trade union leaders after a two-day black "work stayaway" in the highly industrialised Transvaal province.

Eleven black trade union leaders were released over the weekend, but five of them were immediately charged with subversion and the Government is expected to bold a show trial of stayaway organisers at the end of January.

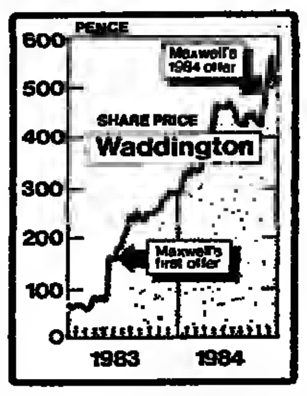
News of the release of the trade unionists was given in Washington by Mr Brand Fourie, the South African ambassador, and President Ronald Reagan later claimed that their release was a result of the U.S. Government's policy of "constructive engagement."

The Reagan policy, aimed at backstage encouragement of moves to reform the apartheid system and secure both the independence of Namibia and better relations with Mozambique and Angola after the withdrawal of Cuban forces, is opposed by a growing lobby which demands a trade and investment embargo of South Africa.

Two leading protagonists of the embargo lobby, Senator Edward Kennedy and the Rev Jesse Jackson, are due to visit South Africa early next month.

THE LEX COLUMN

Policy renewal for Allianz



Allianz Versicherung rarely makes a straightforward announcement when something more complex will do, so it was entirely in character that yesterday's statement from Munich should leave unanswered as many questions as it settled.

The general thrust of the news, however, was quite clear. By raising DM 800m through a rights issue and establishing a holding company distinct from the insurance operations, Allianz is signalling its intention to pursue acquisitions with all the vigour that it has shown in the past two years.

To the casual observer Allianz might appear to have quite enough cash already. The rights proceeds will broadly match the cost of taking a controlling interest in RAS, the Italian insurance company, but that deal could equally have been funded out of existing resources.

The group's balance sheet is not exactly illuminating but, by all other accounts, the challenge facing Allianz is to find more premium income, not more capital. It was after all prepared to finance the £960m takeover of Eagle Star without immediate recourse to shareholders.

So the group should be placed to make a very large acquisition, possibly outside the insurance field. That appears to be the message from the new corporate structure, which will relieve the insurance supervisory authorities in West Germany of the need to scrutinise any Allianz diversification.

In this respect it may have taken its cue from Eagle Star, which established a holding company over its insurance operations and Grovewood Securities. The U.S. may be the first priority for Allianz but yesterday's statement will hardly engender festive cheer among the directors of London's composite insurance groups.

BNOC

The chances are that the UK Government's statement today on the future of British National Oil Corporation (BNOC) will talk cautiously about a more responsive pricing policy, to be carried on under layers of protective obscurity. Such a line would assume the continuing usefulness of BNOC, as a damping influence in the North Sea – and hence in the wider international oil markets. But the course of spot oil prices since July has undermined BNOC's credibility, as well as its contract prices. There is a widespread feeling in the oil industry that the state oil company is a busted flush, so that the burden of argument now seems to weigh upon those who want to keep BNOC in business.

The possible benefits of having a state intermediary in the crude oil market are not negligible, even in an atmosphere of free market theology. Of course, when the oil price is drifting, the last thing that oil companies think of is security of supply, since they are drowning in cheap crude. From their viewpoint, it could be urged, one advantage of having a BNOC might be that in an oil famine it could assure supply to long-term customers. Strategic supplies could also be secured in some circumstances.

Overall, this argument looks a bit threadbare, given BNOC's failure to deliver price stability in time of glut. BNOC's credentials as a stabiliser no longer carry as much weight as they did before the summer slide. It is unconvincing, moreover, to plead that without BNOC's elevated term price the spot would have declined still more rapidly; when the Opec producers started their back-door discounting in earnest, spot prices left the BNOC negotiators treading water.

For this reason it can scarcely be argued that even while making losses, BNOC has turned an honest penny for the Treasury, in terms of higher tax revenues than it would have taken in a price collapse; as realists, this is probably the most that BNOC's executive would claim. But the collapse occurred anyway. BNOC's operating costs and trading deficits since July are probably best taken at face value: the case for preserving the agency is slim. The human resources employed are by all accounts very highly regarded in the oil industry, and could presumably earn higher returns if the BNOC well was finally capped.

BPCC/Waddington

With its last shake of the dice before the game folds, Waddington has produced a profit forecast for 1984-85 of at least £5.7m, 69 per cent up on last year. To the market, it was about as exciting as landing on "Free Parking" – the shares stood rock steady all day at 520p, still well above BPCC's cash offer of 500p.

Shareholders have two more days to make up their minds, and the arguments for accepting are somewhat shaky. Claims that the Waddington share price will fall back if the bid fails are hardly supported by the evidence. The shares have climbed pretty steadily since BPCC was pipped at the post last year, and when Mr Maxwell seemed to have lost interest at the time of July's rights issue, the price held up.

Not only are pre-tax profits set fair; earnings per share should stay buoyant too. The tax charge this year is just 16 per cent and thanks to Waddington's generous distribution policy in the years when it was hardly earning money, it can carry over ACT relief into the next two years to keep the tax rate down to 25 per cent.

On an actual tax basis, the exit p/e offered by BPCC is only 8.7; hardly lavish considering Waddington's recent performance. And shareholders cannot even escape capital gains tax by wrapping their investment in a BPCC paper alternative; the least they might have expected from a printing and packaging company.

UK retail prices

Yesterday's UK retail sales figures for November set yet another record, scotching the notion that people would not spend money on shoes when they were busily saving up for British Telecom. The retailers look set fair for an excellent Christmas and, at this rate, will need to open on Sundays simply in order to accommodate a week's demand.

Brazil to offer steel sale cuts

By Andrew Whitley in Rio de Janeiro

BRAZIL is prepared to make what it regards as a substantial concession to the U.S. over rapidly rising Brazilian steel exports, in talks due to start in Washington tomorrow.

Faced with the threat of a U.S.-imposed quota limit if agreement is not reached by December f8 – the deadline set by President Ronald Reagan for quota agreements with foreign governments – the Brazilians have retreated on the central issue of what historical period should be used as a guide for the new export ceiling.

The U.S. insisted at the two previous rounds of negotiations on using the average exports recorded between f981 and f983 whereas Brazil wanted at least to maintain the volume reached in 1983

Since then, exports have continued to climb despite the recent proliferation of anti-dumping and anti-subsidy claims against Brazilian producers. In the first seven months of this year, overall sales reached 766,000 tonnes worth $257m – an annual rate of 1.3m tonnes.

The proposal to be made to the U.S. tomorrow amounts to an offer to roll back exports of finished products, notably hot and cold rolled plates and wire and tubes, to their 1981–1983 levels in return for extensive access for Brazil's new sales of semi-finished slabs.

This would safeguard future exports from Brazil's newest steelworks, Tubarao, to the recently reopened Fontana mill in California, in which CVRD, the Brazilian state company, has a shareholding. Tubarao has not yet established commercial-level shipments of its slabs to California, but these are expected eventually to reach an annual level of 600,000 tonnes.

Sr Tarcisio Marcisano da Rocha, a senior Brazilian Finance Ministry official, said last week he was confident of reaching agreement with the U.S. before the presidential deadline expires.

Reform of public finance system delayed, Page 5

Union Carbide sets $1m more aside for relief, chairman says

Continued from Page 1

The U.S. executives' report is one of a number of documents being examined in Union Carbide offices by staff of India's Criminal Bureau of Investigation, which is leading the inquiries.

The investigators yesterday cross-examined Mr Keshub Mahindra, chairman of Union Carbide India, and Mr V. P. Gokhale, managing director. These two men are still under arrest at the company's Bhopal guest bouse.

They bave been unable, so far, in obtain bail because Bbopal lawyers objected to their being allowed to go free. This led their lawyer to withdraw his first bail application. The Criminal Bureau of Investigation yesterday also opposed bail and the two men were remanded until December f7. They are likely to appeal soon.

Mr Anderson said yesterday, sbortly after his return from a harrowing trip to India in which he was briefly placed under bouse arrest by the authorities, that the company had already set aside $1m for immediate relief. That would be added to about $850,000 from the group's Indian subsidiary.

Mr Anderson, 64, looked tired but composed as he faced a barrage of hostile questions in the first press conference he has given since the Bhopal tragedy, one of the worst industrial accidents in history. Several Indian journalists took the lead and tackled Mr Andserson on the company's responsibility for the disaster.

Answering one barbed question, Mr Anderson lowered bis voice almost to a whisper as he said that there could be no real compensation for a person who had lost everything in such a catastropbe.

He said be had been personally "sbattered" by the event which, be said, with a nole of resignation, would now be its main preoccupation for the rest of his professional career. "I sball see you all again many times," be told journalists as be sougbt to bring the hriefing to an end.

None of the crucial questions facing the group in the aftermath of the disaster was totally clarified by Mr Anderson in the hour long conference. He indicated, bowever, that the main line of the company's strategy in coming to a settlement for the victims would be to negotiate some sort of compensation arrangement with tbe Indian authorities.

Referring specifically to the Manville case, in which U.S. victims of asbestos-related diseases bave been seeking damages for a period of years, be said the company would seek to avoid such a situation where "no one gets compensation for many years."

Mr Anderson reiterated the company's view that it would be several days, if not weeks, before a clear account emerged of wbat went wrong at Bbopal.

Responding to a suggestion from an Indian journalist that the facilities at Bhopal were outdated, be said that the company was competing in a world market which demanded that all its plants were technologically competitive and up to date. The process used to produce the poisonous MIC in fndia was exactly the same as that which had been used for 25 years at the company's West Virginia plant in the U.S.

The only death in the Indian plant in recent years had been caused by another gas which bad been inhaled because the worker involved had not followed the correct procedures, be said.

Mr Anderson was asked repeatedly wbat damage compensation claims for the catastropbe could do to the company, but be refused to give a precise figure for the company's insurance cover.

He indicated, however, that the company might be thinking of a compensation solution which involved funds raised both from its insurance provisions and from its own assets. The company believed, he said, that with a combination of its insurance and its assets it could come to an "equitable comprehensive and fair treatment" for the disaster victims without jeopardising its capabilities.

Move to curb farm spending

Continued from Page 1

lieved to include France, Ireland and the UK – the latter specifically for over-production by Northern freland dairies.

France, which is understood to have suffered an Ecu 36m reduction, is likely to be particularly incensed by the decision.

M Michel Rocard, the Frencb Farm Minister, last month warned the Commission not to take the step.

French Government 'hid FFr 10bn deficit'

BY DAVID MARSH IN PARIS

FRESH CONTROVERSY over Frencb puhlic spending is likely to follow a report from the official watchdog body, the Cour des Comptes, alleging that the country's hudget deficit last year was about FFr 10bn ($1.07bn) higher than announced by the Government.

The reoort, the existence of which was confirmed last night hy the Finance Ministry, is to be distributed to deputies in the National Assembly in the next few days.

The Cour des Comptes, made up of civil servants tasked with investigating puhlic accounts, maintains that the Government "hid" a supplementary deficit of about FFr f0bn last year from the published figure of around FFr 137bn.

That was achieved through the lodging of some spending for 1983 in the 1982 and 1984 accounts and by bringing forward into the 1983 budget certain receipts that should have figured only in 1984.

The Finance Ministry last night would not comment on the allegations. M Pierre Bèrègovoy, the Finance Minister, is likely to make a statement on it later in the week.

Presentation of budgetary plans this year have already drawn repeated criticism from the opposition, especially from M Raymond Barre, the former prime minister, who has claimed that the Government is consistently understating the true size of the deficit.

The Government bas already been forced to concede that the deficit limit of 3 per cent of gross national product set by President François Mitterrand can no longer be maintained. As a result of a supplementary budget for 1984 presented last month, this year's deficit is likely to amount to FFr 144hn or 3.3 per cent of GNP, FFr f9bn more than initial calculations.

If the Cour des Comptes allegations are upbeld, they are likely to cast a cloud over budgetary presentation during the period when M Jacques Delors, M Bèrègovoy's predecessor up to July this year, was in charge of the nation's finances.

The Cour des Comptes bas a tradition of embarrassing both left and right-wing parties. Its disclosures at the end of last year were at the centre of the so-called "oil sniffer" affair in whicb the judgment of former President Valéry Giscard d'Estaing was called into question over dubious payments of public funds for a worthless oil prospecting project.

Pickens offer for Phillips stake 'illegal'

By William Hall in New York

PHILLIPS Petroleum, the ninth biggest U.S. oil company, has accused Mr T. Boone Pickens and his associates of violating U.S. securities laws and described efforts to take over Phillips as "illegal."

However, in its first public statement since Mr Pickens and his partners made their $60 per share offer for a 15 per cent stake in the company, Phillips' board did oot comment on the offer price or advise shareholders on whether to tender their shares.

Mr William C. Douce, Phillips' 65-year-old chairman, who is due to retire within the next few months, said that the company had been advised by its lawyers that the actions of Mr Pickens and his partners were illegal and as a result, the company was starting litigation against Mesa Partners, Mr Pickens's partnership, that is leading the fight for Phillips.

Mesa Partners said yesterday it was delaying commencement of its $1.38bn tender offer for 23m Phillips shares because of legal uncertainties surrounding an earlier standstill agreement barring Mesa from buying Phillips shares.

However Mesa said that it may seek additional financing to purchase extra Phillips shares. Phillips shares fell $¾ to $52¾ yesterday.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	17	63	Dubrovnik	S	14	57	Malaga	S	18	64	Salzburg	C	5	41
Akrotiri	S	17	63	Faro	F	16	61	Malta	—	—	—	Seoul	C	9	48
Algiers	S	17	63	Florence	Fg	5	41	Manila	F	31	88	Singapore	F	29	84
Amsterdam	F	10	50	Frankfurt	F	5	41	Miami	F	21	70	Stockholm	F	4	39
Athens	F	17	63	Funchal	F	18	64	Milan	Fg	1	34	Strasbourg	C	5	41
Bahrain	C	18	64	Geneva	C	5	41	Moscow	Sn	0	32	Sydney	S	21	70
Bangkok	S	32	90	Gibraltar	C	17	63	Munich	C	4	39	Taipei	S	25	77
Barcelona	S	13	55	Guernsey	S	10	50	Nairobi	C	24	75	Tangier	S	18	64
Beirut	S	15	59	Helsinki	C	1	34	Naples	S	14	57	Tehran	—	—	—
Belgrade	C	3	37	H. Kong	S	22	72	New Delhi	S	22	72	Tel Aviv	S	15	59
Berlin	D	7	45	Innsbruck	F	4	39	New York	F	10	50	Tenerife	C	20	68
Biarritz	S	8	46	Inverness	F	11	52	Nice	S	13	55	Tokyo	S	14	57
Blackpool	C	9	48	Istanbul	S	10	50	Oporto	S	15	59	Toronto	C	4	39
Bordeaux	Fg	5	41	Jersey	S	9	48	Oslo	S	7	45	Tunis	C	15	59
Brussels	S	7	45	Jo'burg	F	28	82	Paris	S	9	48	Valencia	S	14	57
Budapest	C	5	41	Las Palmas	F	21	70	Prague	C	3	37	Venice	C	7	45
B. Aires	C	25	77	Lima	S	23	73	Reykjavik	C	1	34	Vienna	R	4	39
Cairo	S	19	66	Lisbon	S	14	57	Rio de J'o	C	26	79	Warsaw	R	5	41
Cape Town	S	21	70	Locarno	S	9	48	Rome	S	12	54	Zurich	C	5	41
Caracas	C	26	79	London	S	9	48								
Casablanca	S	21	70	Los Angeles	C	19	66								
Copenhagen	F	9	48	Luxembourg	C	4	39								
Corfu	—	—	—	Madrid	S	11	52								
Dublin	S	9	48	Majorca	S	17	63								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

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SECTION II – INTERNATIONAL COMPANIES

FINANCIAL TIMES

Tuesday December 11 1984

Buy-out fails for U.S. fast food group

By Our New York Staff

AN AGREED $525m management-led leveraged buyout of Diversifoods, the Chicago-based group which operates more than 1,400 fast-food restaurants, has collapsed due to the failure of the investor group to raise the necessary financing in time.

Diversifoods, whose chief executive, Mr Don Smith, was leading the management buyout, said yesterday it expected its fourth-quarter results from continuing operations to decline sharply from the 25 cents a share earned in the final quarter of 1983. It also said certain one-time write-offs and year-end adjustments still being reviewed might have a further negative impact on the quarter.

The investor group which was being assisted by Allen & Co, a New York-based specialist in leveraged buy-outs, had earlier tried to reduce the $15.50 per share cash offer it first announced on October 15. Diversifoods' board refused to agree to a lower offer, however.

Capitol Air changes hands

By Our New York Staff

CAPITOL AIR, the troubled U.S. charter airline which suspended operations last month, has been sold to yet another group of investors, this time from Puerto Rico, who promise to have the airline back in the air before the end of the year.

Capitol, which recently cut its charter fleet from 14 aircraft to six before suspending flights, has been bought and sold on several occasions over the last couple of years.

Closure of Californian S&L to cost $193m

BY WILLIAM HALL IN NEW YORK

THE FEDERAL Home Loan Bank board (FHLB), which supervises America'a 3,500 thrift institutions, has closed a small Californian savings and loan and says that its action will cost a minimum of $193m, making it the most costly closure to date in the financially trouhled U.S. thrift industry.

The closure of the state chartered San Marino Savings, which had grown rapidly by buying in deposits through money brokers, is the latest example of the shaky condition of many U.S. thrifts and is likely to be used to back an official campaign for much stricter curbs on the industry.

The FHLB board met yesterday to consider proposals which would severely limit the ability of thrifts to invest in real estate and other ventures outside their mainstream savings business.

In some states, particularly California, savings and loans have been permitted much greater freedom in terms of the types of business they can enter. It has been argued thet this enables them to bolster their profits to support their less profitable savings business, but regulators have become increasingly concerned that many institutions are taking undue risks which could exhaust the government fund which insures deposits.

Thrift regulators have been concerned by the rapid rise in the oumber of U.S. thrifts which have run into financial difficulty. They have found it increasingly difficult to persuade bealthy institutions to take over the troubled institutions and as a result have bad to shoulder the increasing financial burden

The cost to the regulators of closing troubled thrifts bas jumped from $24m in 1980 to over $1bn last year, and regulators are worried that the rapid escalation of the costs associated with closure is threatening the deposit insurance fund.

The closure of San Marino, which had assets of $847m and eight offices, the collapse of Empire Savings and Loan of Mesquite, Texas, had been the most expensive official bail-out costing the ageocy an estimated $164m.

Virtually all San Marino's deposits are being transferred to another small Californian thrift owned by Home Federal, an Arizona savings and loan.

AMI seeks entry into UK insurance

BY CARLA RAPOPORT IN LONDON

AMI, one of the leading U.S. health care companies, is planning to enter the £470m-a-year ($562m) UK private health care insurance market. This is the first significant entry into the market in recent years.

Britain's bealth insurance market, dominated by the British United Provident Association (Bupa), has been registering low growth in recent years, with less than 10 per cent of the UK population covered by health care insurance.

AMI, which is expected to announce its new scheme early next year, has concentrated on the provision of health care in the UK and owns and operates 11 hospitals in Britain. The new scheme is expected to offer a different health insurance service from that offered by Bupa or by its main rival, Private Patieots Plan (PPP).

AMI is likely to specialise on corporate bealth care insurance schemes, which account for about one third of the private health care insurance market. Unlike other corporate schemes, AMI is expected to tailor its schemes to each individual company and offer a wide range of services from medical screening to primary hospital care throughout the country, as well as to psychiatric services.

The group intends to aim the new scheme at companies anxious to cootain their health care costs as well as those companies which have not yet bought health care insurance for their employees.

Mapco plans to sell oil and gas assets

By Our Financial Staff

MAPCO, the diversified Oklahoma-based energy group, yesterday announced plans to sell a large part of its oil and gas assets in five transactions totalling $290m.

The sales are expected to produce an after-tax gain this year of $100m, although this will be partly offset by previously announced financial adjustments elsewhere in the group which will reduce fourth-quarter net income hy about $70m.

In the largest deal, Consolidated Natural Gas of Pittsburgh is paying $171m for Mapco's U.S. onshore oil and gas properties. Mapco is also selling its offshore Gulf of Mexico properties, an Oklahoma gas field, and concessions in the Dutch sector of the North Sea and Colombia.

Orsan to purchase Celanese seed unit

By David Marsh in Paris

FRANCE has made a fresh foray into the high-technology U.S. agriculture sector with an agreemeot by the Orsan group to buy the seed developmeot and production business of the U.S. chemicals company Celanese.

Orsan, the joint agricultural subsidiary of French cement maker Lafarge Coppée and the farmers co-operative bank Crédit Agricole, will take over the Celanese seed activities, with an annual turnover of $45m, from January 1. No acquisitioo price was disclosed.

Lafarge is making a hig effort to build up its biotechnology operations, with an eye above all oo the U.S. market. The latest deal, which follows Lafarge's acquisition in May of a U.S. company specialising in maize seeds, Wilson Hybrids, will give Orsan 10 per cent cootrol of three Celanese subsidiaries developing vegetable and flower seeds, Harris, Moran and Celprill.

The three companies own seed productioo and processing facilities in six U.S. states and bave agencies io Canada, the Netherlands and Italy.

Harris and Morgan, employing 300 people, add up to ooe of the 10 largest vegetable seed businesses in the world. Celprill, which Lafarge believes is a particularly promising company for future expansion, has developed techniques for assisting plant growth by combining seed varieties with micro-organism.

Orsan, which is an important animal feed producer in France, already this year has announced a $40m joint venture with the Japanese company Ajinomoto to build an Iowa-based plant to make lysine, an amino acid added to fodder to improve outrition.

Hughes to invest £25m at Scottish microchip factory

BY MARK MEREDITH IN EDINBURGH

HUGHES Microelectronics, part of the Hughes Aircraft Company of California, yesterday announced a £25m ($29.9m) expansion to its plant in Glenrothes, Scotland, creating 500 jobs.

The fast-growing electronics industry in Scotland has this year accumulated new companies or existing company expansions expected to create nearly 5,000 jobs. The industry has done much to replace jobs lost in the decline of heavy engineering. There are now mora than 300 companies and over 40,000 jobs in electronics.

The Hughes expansion, to be fully operational by mid-1986, will be in its production of custom intergrated circuits. A new fabrication, assembly and test facility will allow Hughes to introduce a 12.7 cm wafer processing capability. Some of the new investment will go towards the other product lines – hybrid microcircuits, electronics systems, connectors and capacitors. The factory at Glenrothes at present employs 850.

Scotland now has Europe's largest conceotratioo of volume wafer fabrication in the field of integrated circuits with five other "chip" factories. These are Motorola, National Semiconductor, Nippon Electric, General Instrument and Burr Brown. They produce 79 per cent of UK output of semiconductors and 21 per cent of European capacity.

Employment in this particular sector of electronics is due to double to 7,000 in the next few years, according to official estimates.

At a press conference in Glasgow, Mr Iain Duffin, associate managing director of the Glenrothes Hughes factory, said the development of custom chips was not as vulnerable a market as that for volume produced chips. About a third of the Scottish factory's output of all products is channelled within the Hughes Corporation.

The decisioo for the expansion was made before the UK Government's re-alignmeot of regional aid last month which saw Glenrothes New Town lose its automatic aid grant giving capability. Incoming companies to this area will still have discretionary government assistance.

The announcement is the latest inward investment success for *Locate in Scotland* which combines the industrial promotion activities of the Scottish Developmeot Agency with the Industry Department for Scotland (part of the Scottish Office). This one-door approach for incoming industry has attracted over £1bo in projects since it was set up in 1981.

Some key developments in Scotland's electronics sector this year are:

- Indy Electronics of California: a new £20m project for contract assembly and test of iotegrated circuits. Five bundred jobs expected over the next five years.
- Burroughs: a £10m expansion to its Livingstoo factory producing data processing equipmeot for banks; 140 new jobs expected.
- Hewlett-Packard: a £12m expansioo to its South Queensferry factory and new product developmeot in field of microwave and communications test products; 600 jobs to be created.
- Digital: £15m investment to add to its Ayr manufacturing plant producing small computers and in silicoo chip test and assembly. Could be 200 new jobs.
- Integrated Power Semiconductors of California: a new £15m inward investment project for Livingston; 500 jobs forecast.
- SCI Systems of Alabama: £14m plant for sub-cootract assembly work in Irvine; 450 jobs expected.

Mellon in revised bid for Heritage

By Our New York Staff

MELLOW BANK, the 12th biggest U.S. bank, has re-entered the battle for Heritage Bancorporation, the fifth biggest New Jersey bank, with a $215m offer.

Melloo's loog-running bid to take over Heritage, wbich has 95 offices and $1.8bn in assets, bas been enmeshed in a court dispute between the Comptroller of the Currency, who approved the merger, and the Federal Reserve Board, which rejected the plan.

Last month, a U.S. appeals court refused to overturn a Federal Reserve order deoying Mellow permissioo to acquire Heritage. Following the decision, several New Jersey hanks announced offers for Heritage, which has ooe of the more attractive banking franchises in the state.

Under the proposed agreement, Mellon will immediately purchase up to $28m of newly issued Heritage preferred stock, and the latter will use the proceeds to buy back approximately 13 per cent of its own stock at $50 a share.

Mattel revival continues

By Our Financial Staff

MATTEL, the Californian toy company, has cootinued its earnings recovery with third-quarter operating oet profits up sbarply from $16.1m, or 80 ceots a share to $29.1m or 63 cents on increased shares outstanding.

The company, which was receotly rescued after the collapse of its electronic games divisioo, boosted sales in the quarter to October 27 from $218.3m to $319.3m.

INTERNATIONAL COMPANIES and FINANCE

Veba plans DM 18.8bn five-year spending

By Peter Bruce in Bonn

VEBA, West Germany's biggest industrial conglomerate, plans capital spending of DM 18.8bn ($6.09bn) over the next five years—the energy and chemicals group's biggest ever investment programme.

Some DM 3.8bn will be spent next year and most of the overall programme would be self financed, Veba said yesterday.

By far the major focus of Veba's new investment will be electric power generation, which is earmarked to receive some DM 2.3bn in 1985 and DM 9.7bn between next year and 1989.

A significant proportion will go towards strengthening power distribution. The total also includes investment in environmental controls at power stations.

Of the DM 2.2bn investment planned for Veba's oil and gas divisions, most has been earmarked for exploration and production. The company said, however, that rationalisation and "optimisation" of its processing plants would continue. The West German oil refining industry, in particular, is in the process of significantly reducing capacity.

The group also plans to spend DM 2.1bn up to 1989 on restructuring its chemicals division—mainly on restructuring its product range.

Last month Veba reported nine month net profits up 45 per cent at DM 325m. It also seems likely that the group will increase its dividend over DM 7.50 this year.

Kenneth Gooding describes how a West German group takes on the volume producers

Daimler-Benz goes on the offensive

DAIMLER-BENZ, renowned in the past for being ultra-cautious and conservative, has finally thrown off that mask by unveiling a new mid-sized Mercedes car range and taking up a highly-aggressive stance.

"We are on the offensive," declares sales director Hans-Jurgen Hinrichs. "We will have stronger growth in the car market next year than ever before. And now we have three models in our car range we need the higher volume."

The company immodestly sets out to build the best cars in the world in terms of quality and engineering. And so many people believe it has succeeded that the rest of the world's manufacturers measure their products against Mercedes cars to see what they can do to close the gap.

"We are not just offering luxury cars for rich people," Herr Hinrichs asserts. "We offer cars of the highest quality and high safety. There will always be people who want this type of car."

Creating demand

The company has taken care over the years to help maintain Mercedes "desirability" ratin gby keeping cars in short supply. "It has always been the philosophy of Daimler-Benz not to push the market but let it pull us along. We have lost sales opportunities as a result—but the philosophy goes well with our image. We want to create more demand than we have capacity," he adds.

But Herr Hinrichs does not want to return to the days hwen the waiting list for a Mercedes could be up to three years aod customers would place an order for their next car at the same time as they took delivery of a new one.

Underlying the "hype" and glamour that always surrounds a new car launch there is the hard-oosed, no-nonsense Daimler-Benz approach to business which has taken it to third place in the FT list of Europe's top 500 companies ranked by stock market value.

The executives who have made the Mercedes car business a huge profit-spinner are the same people who have shown the ruthless streak necessary to turn Daimler-Benz into the world's leading beavy truck producer.

Daimler-Benz spent DM 1.4bn (about $454m) on plant and equipment alone for the new mid-sized car range, known internally as W 124. When development costs are added the total investment is well over DM 2bn, similar to expenditure on the 190, the "small" Mercedes with which it expanded its range in January 1983.

Spending of this magnitude means that Daimler-Benz simply must increase its sales volumea to get a reasonable return. Next year the company hopes to sell around 520,000 cars, if it can produce them fast enough. That would be an 8 per cent increase on the 1984 total of 480,000, held down by the metalworkers' strike which stopped the German car plants for seven weeks in the summer and according to Herr Werner Breitschwerdt, chief executive, cost the group DM 3.5bn in lost production.

Those figures emphasise, again, that Daimler-Benz is by no means a small-volume of luxury cars. While it falls a long way behind Volkswagen, Fiat, Renault and the Peugeot-Citroen-Talbot group in terms of output, the German company is comfortably ahead of BL (with 1983 output of 473,000 cars) and Ford of Britain. Rivals such as BMW, Volvo and Saab are nowhere near the Mercedes' total.

Werner Breitshwerdt, chief executive of Daimler-Benz which is putting itself on a collision course with BMW.

Daimler-Benz will huild about 4,000 of the new mid-sized cars this year ready for the launch in most continental markets next month. Sales in the U.S. and Britain will begin next autumn.

Next year nearly 200,000 of the new cars will be produced at the maio car plant at Sindelfingen, near Stuttgart. To that will be added more than 200,000 of the compact, 190s and over 100,000 of the top-of-the-range "S" class cars.

To cope with the vagaries of demand, Daimler-Benz has given itself production flexibility at Sindlefingen of plus or minus 40,000 units between the mid-sized cars and the 190s. The Bremen plant in Northern Germany currently produces only the 190—but the equipment could bandle the mid-sized cars with some little extra investment.

The old mid-sized cars, dubbed the W123 and launched nine years ago, were the most-successful Mercedes ever made. About 2.6m were sold, 1.1m outside Germany. The W123 regularly accounted for over balf of the group's total car ontput.

The new cars are not expected to repeat this performance because of in-house competition from the Mercedes 190. The compact car was designed not to lower the cost of buying a Mercedes (It was priced in line with the old mid-sized models) but to broaden the appeal of the range which until then appeared rather stolid and stoggy. The 190 is aimed particularly at young executives and so far has exceeded Daimler-Benz's expectations.

"Conquest" sales (customers attracted from other makes) are running at 50 per cent in Western Europe and 80 per cent in the U.S. where the 190 was launched in September.

But looked at another way, the 190 has been "stealing" half its sales from the mid-sized Mercedes. Daimler-Benz hopes to stem much of this "cannibalism," as the jargon has it, with the W124 which has similar styling to the 190 — thus giving the whole Mercedes range a homogenous appearance it has never had before.

For the first time American buyers will be offered a mid-sized Mercedes with a petrol engine as well as tho diesel versions they have been restricted to so far.

Collision course

Daimler-Benz expects to sell around 80,000 cars in the U.S. this year (up from 74,000 in 1983) making the U.S. by far the largest export market.

But it is in its domestic market that Daimler-Benz has most to lose. The company is determined to keep home sales and exports roughly in 50-50 balance and, according to Herr Hinrichs, this will involve a gradual increase in Mercedes' market share in West Germany from 10 to 12 per cent.

That can only put Daimler-Benz on a collision course with its closest domestic rival, BMW (Bayerische Matoren Werke). The compact 190 seemed to be aimed directly at the same buyer as BMW's 3-series cars (and in the past two months actually ontsold the 3-series in Germany).

Now Daimler-Benz will introduce a six-cylinder engine to some versions of its mid-sized cars to challenge BMW's domination of the six-cylinder business. So the contest between Mercedes and BMW will become increasingly fierce.

Downturn at Bayerische Vereinsbank

By Jonathan Carr in Frankfurt

BAYERISCHE Vereinsbank is the latest major West German bank to report a fall in partial operating profits in January-October compared with a 10-month average of 1983.

The Munich-based bank said partial operating profit, which excludes the results of own-account trading, was down to DM 414.9m ($136.4m) from DM 463.1m.

It added a "satisfactory dividend" would be paid but did not confirm that it would repeat last year's payout—which was raised to DM 11 from DM 10 per DM 50 share.

Profits from interest business were down by 2.8 per cent in January-October to DM 1.01bn, but the surplus on commissions jumped by 9.8 per cent to DM 208.3m.

The bank said provisions for domestic credit was down on the previous year, but were being raised for foreign credit risks.

Jacobs Suchard expects to show advance for year

BY OUR FINANCIAL STAFF

JACOBS SUCHARD, the Swiss chocolate and coffee group, forecasts increased profits for 1984 and says projects aimed at widening its capital base are under consideration.

Chocolate sales from July onwards have been encouraging, and Jacobs has overcome its difficulties in coffee trading in Germany. As a result, earlier expectations of maintained 1984 profits are being revised upwards.

Net profits this year should now total SFr 120m ($47.2m) against SFr 110m in 1983, the company says. Sales last year were SFr 4.6bn.

In October, Jacobs announced plans to raise SwFr 80m through an issue of warrant bonds. Proceeds were said to be earmarked for expansion and for the consolidation of long term liabilities.

First half 1984 sales improved by 4 per cent to SwFr 2.3bn with chocolate sales moving ahead steadily.

Electrolux sells stoves division

BY DAVID BROWN IN STOCKHOLM

ELECTROLUX of Sweden, Europe's largest manufacturer of home appliances, is selling the home heating stoves division of Nestor Martin, a Belgian subsidiary, to the Norwegian stove manufacturers Joetull.

Mr Anders Scharp, the managing director, said the stove operation does not fit in with Electrolux's strategy to concentrate in the appliances sector.

It was included in the mid 1970s acquisition of Nestor Martin, has annual sales of about SKr 80m ($9m) and 200 employees.

Joetull produces mainly wood burning stoves and has an annual turnover of NKr 261m

INTL. COMPANIES & FINANCE

Japanese profits head for record

BY YOKO SHIBATA IN TOKYO

THE RATE of growth in earnings of Japan's leading companies is expected to accelerate to push profits to a record level for the current balf year to March 1985.

Mucb of the growth will come from the domestic sector, kept bouyant by capital spending and a gradual recovery in consumer demand. Exports, which have fuelled the recovery to date, are expected to perform more modestly.

From a survey of 421 companies listed on the first section nf Tokyo's stock exchange, Wako Securities Researcb Institute concludes that pre-tax profits will rise in total by 13.1 per cent over the level for the second balf of the previous year.

This second-half result would see the surveyed companies increasing tbeir annual pre-tax profits by 24.9 per cent. Earnings for tbe financial year to March 1986 are forecast to rise by 6.1 per cent.

In the curren t half year, the electrical and electronic equlpment Industry is expected to provide the major impetus for the corporate earnings expansion. However, growth among the semiconductor makers is expcted to moderate from the high first half levels which saw a 118 per cent jump in pre-tax profits at NEC, 65 per cent at Fujitsu, and 35 per cent at Hitachi.

On the strength of strong demand for larger chips, Japan's major semiconductor makers bave revised their capital outlays for capaclty expansion of 256K DRAMS, largely upward to a total of Y1,000bn ($4.04bn) for the year. Tbis capacity expansion will bring semi-conductor supply to a peak by the middle of next year.

Mr Kazuo Kida, chlef economist of Sumitomo Bank has recently warned "if an oversupply of semiconductors colncides with a slowdown in the U.S. economy, this will have a sizeable impact on Japanese companies, because a large proportion of semiconductors and the products wblch use them are exported to the U.S."

In fact Japanese managements and the stock markets are very sensitive about prospects for semiconductor demand and developments in the U.S. economy. Tbere has been heavy selling of some shares, spurred by investors' fears of a semiconductor glut.

The bright spots will probably be in the processing and basic materials industries. In steel, petrocbemicals, fibres and other basic materials industries, there is concern that exports may slow down but with robust domestic demand, tbese industries are all looking to emerge from the current recession.

Machine tool makers are also looking for steady profit gains thanks to a continued high level nf orders reflecting the rising level of private sector equipment investment.

In the car Industry, expectations are for a slowdown in earnings due to sluggisb domestic passenger car sales.

The nil industry, where first balf earnings showed setbacks due to the yen's sharp depreciation and falling oil prices, will probably see an improvement. It plans oil product price rises in time for the winter peak demand season.

However, there are some industries who may be left nut of the current expansionary trend. Tbe plant engineering industry is in the midst of a deep slump due to the "reverse oil shock" caused by the earnings problems of the oil exporting countries. Also the construction iodustry Is suffering from the Government's policy ot limiting state projects.

Japanese corporations are expected to improve their net financial balances (dividend and interest received minus dividend and interest paid) and this will be an Important factor effecting this year's earnings. Two out of every five companies scored surpluses in tbeir financial items.

Notably the steel companies have improved their financial balances by reducing borrowings. The more profitable corporations have reduced borrowings and tapped capital markets at bome and abroad and have switched investmens into bigh-yield financial instruments.

A new move among Japanese corporations during the half year was to raise the funds through the flotation of bonds with warrants abroad. There are some companies such as Fujikura and Mitsubishi Gas Chemical, wbo have made buge foreign exchange gains by buying forward dollars in time to redeem such bonds.

Legal action over Mount Cook sale to Goodman

BY DAI HAYWARD IN WELLINGTON

GOODMAN INDUSTRIES, the New Zealand food and investment group, is invnlved in anotber corporate struggle—this time over the Mount Cook group, one of the country's leading tourist nperators.

Air New Zealand is taking court action to prevent the sale nf a 47 per cent shareholding in *Mount Cook* to Goodman. The shares are beld by Dominion Breweries (DB).

Air New Zealand bolds a 30 per cent interest in Mount Cook and there was a private agreement that if either Air New Zealand or D.B. wisbed to sell their boldings they would first offer them to the other.

Last Wednesday D.B. did offer its shares to Air New Zealand and on Friday Air New Zealand accepted the offer "subject to the required consents which are urgently being processed." However, on Friday D.B., whlch is the second largest brewery and hotel group in the country, offered its Mount Cook sbareholding to Goodman. The Goodman board made a quick decision and accepted the offer.

Goodman has already bought 19.9 per cent, the maxlmum it can bold without permisslon of the Examiner of Commercial Practices and bas requested permisslon to acquire the remainder of the 47 per cent stake beld by D.B.

If the deal goes through it will cost Goodman about NZ$29m US$14.1m) and will put it in a dominate position to influence future tourist development. It already holds 24.9 per cent of Newmans, the country's major tourst operator and thei chief rival nf Mount Cook.

Sometime ago Newmans, then known as TNL, falled in a btd to gain control of Mount Cook. One of the attractions was the extensive fleet of aircraft which Mount Cook uses in its tnurist nperations. When its btd failed Newmans decided to set np its own airline and has already *purchased two arcraft*

Air New Zealand sald the sale to Goodman compromises the undertaking it had from DB to sell its shares to Air NZ. The DB deal with Goodman values Mount Cook ordinary shares at about NZ$5.9 each.

Singapore Land forecasts downturn in earnings

BY CHRIS SHERWELL IN SINGAPORE

SINGAPORE LAND, the island state's prestigious property developer, wblcb recently reported better-than-expected annual profits, has again warned that Singapore's current property glut will reduce its earnlngs in the immediate future.

The warning comes from Mr S. P. Tao, the chairman, in his annual report released yesterday. In particular he points to the problems posed by the company's gateway project, a 37-storey twin-tower complex now going up just outside the central business district.

The report gives the current market valuation nf the Gateway at S$243.9m, S$162.8m below cost. It adds that no provision has been made fnr the shortfall between cost and market value because the property Is in an early stage of development and it is not clear if It bas suffered a permanent decllne in value.

Singapore Land controls the project through a 67½ per cent stake in Gateway Land, up from 60 per cent last year. So far shareholders have made money available as adverse soil conditions have caused delays, but Mr Tao says Gateway Land will be a "prime concern in the next few years" as financing arrangements are sought to complete the project and tenants are sought to fill the space.

Last month Singapore Land reported for the year to August a five per cent rise in after-tax profits before extraordinaries to S$20.7m, on an elght per cent rise in turnover to S$79.6m. While investment income doubled, interest on borrowings rose sbarply, and the company said that this performance "will not be sustained."

Singapore Land is also developing Marina Sqnare, comprising three luxury botels and Singapore's largest shop*ping complex on* reclaimed land. Mr Tao confirms in his report that this too will be affected by adverse conditions in the early years after Its scheduled completion In late 1985.

UK COMPANY NEWS

Greenall Whitley advances 18% to £28m

Greenall Whitley pushed full year taxable profits up by 17.9 per cent from £24.01m to £28.31m on turnover ahead at £287.44m against £258.74m.

Mr Christopher Hatton, chairman of this Warrington-based brewery, bottler and distiller, says that the company's beer businesses increased operating profits by nearly 6 per cent.

"They did well to achieve almost maintained sales volume in a year in which the summer fell below expectations," he says, and adds that cider sales in the pubs "continued to increase," as did pub catering.

The beer product mix improved with continued growth of lager sales. Overall, profits improved as costs were held under "tight control."

Sales volume for wines, spirits, and soft drinks was flat, with reductions in volume through Greenall's own pubs. But sales to other customers increased, and a number of new products were launched for these markets. Vladivar Vodka experienced a 13 per cent rise in sales volume.

During the year to September 29 1984 the company acquired a controlling interest in the 250-year-old Symonds Cider business in Hereford and Worcester. Mr

Mr Christopher Hatton, chairman of Greenall Whitley

Hatton says that Greenall has since invested in further production capacity and will shortly have the ability to supply genuine English cider to meet growing demand in its own tied trade and other markets.

On the hotel side, there was continued "rapid expansion," which culminated in the acquisition of De Vere Hotels during the summer. Treadway Inns U.S. carried out major alterations at the Saddle Brook Hotel in New Jersey and at the Lord Cromwell Hotel in Hartford, Connecticut.

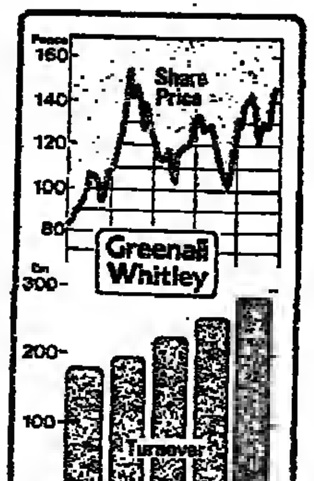
The alterations depressed results from the North American hotels business, but the chairman says that the results from the investments are promising.

Greenall's amusement machine company continued to grow and juke boxes were added to the product range. Arrowsmith Holidays, tour operator, performed better despite difficult trading conditions in the peak July/August period and adverse currency movements.

The final dividend on the limited voting ordinary shares is being lifted from 2.2347p to 2.5364p for a total of 4.4644p (4.029p). Holders of the "A" ordinary are set to receive a higher final distribution of 0.5073p (0.4469p), making a total of 0.8928p (0.8058p).

Earnings per 25p ordinary and 5p "A" ordinary are shown as 16.33p (12.58p) and 3.27p (2.58p) respectively.

Taxable profits were struck after higher interest payable of



£3.28m (£3.57m), and included property disposal profits of £2.06m (£1.21m) and interest receivable of £0.76m (£0.6m).

Tax took £9.08m (£8.96m) and there was a £3.2m provision this time for deferred tax. After all dividends the retained balance is £10.42m (£9.95m).

● comment

Greenall Whitley's results are worthy rather than sparkling but do indicate the sense of the group's diversification into hotels. With beer volume marking time because of the Siberian chill around Warrington, and a while to wait for upstream effects in wines and spirits, Greenall had to rely on the hotel contribution for its decent 18 per cent increase in trading profit. The De Vere acquisition should start showing real benefit this year, particularly as Greenall is insured against loss of earnings at the Grand, financially there can be no cavil at a net purchase price almost covered by cash generated in the year. Arrowsmith Holidays, nee Laker, which has played an exaggerated role in depressing sentiment for Greenalls, looks set for a difficult year though costs have been pared back impressively and the operating loss is covered by interest on its running cash surplus. The share price stood still at 146p yesterday, giving an actual-tax p/e of 8.8, which may be a shade too concentrated upon the uninspiring beer performance.

Dobson Park down by over £1m

SECOND HALF pre-tax profits of Dobson Park Industries fell by £1.59m to £2.62m and left figures for the full year to September 29 1984 at £7.06m compared with £8.09m.

Turnover for the full period advanced from £169.39m to £191.25m — the group has interests in mining machinery, engineering and power tools.

The results benefited from a higher share of associates' profits at £608,000 (£310,000) and a fall in reorganisation and redundancy costs from £2.87m to £584,000. However, investment income dropped to £1.5m (£2.35m), interest costs took more at £2.66m (£2.15m) and currency adjustments accounted for £531,000 more at £690,000. Britains, acquired in February, contributed £489,000.

Tax fell to £2.89m (£3.16m) to leave the net balance at £4.07m (£4.93m).

Earnings amounted to 4.9p (6.3p) and a final dividend of 3.31p holds the net total at 5.21p.

Mining equipment operating profits at £5m (£4.62m) included profits of £69,000 (£174m losses) from Marathon (U.S.) and Schopf (Germany). Power tool operating profits of £1.87m (£1.75m) were after non-attributable losses of £445,000 (after non-attributable profits of £75,000).

At year-end group shareholders' funds totalled £77.8m (£84.5m), equal to 93.2p (102.1p) per share.

Consolidated borrowings exceeded cash balances by £12.28m (£7.91m). Capital expenditure during the year amounted to £4.8m.

● comment

At first sight it might seem that these results from Dobson Park, beating market forecasts by anything up to 100 per cent, should produce more than a 3p increase in the share price to 84p. The great imponderable effect which neither the company nor the City could accurately predict was the impact of the miners' strike. As it turned out this was not as severe as expected since NCB orders have only been some 15 per cent short of last year. Unfortunately with no end to the strike in sight, the uncertainty which surrounded these figures perisists into 1984-85. In this rontext, the recovery of the mining businesses in the U.S. and in Germany is important, as is an increase in UK exports. Dobson cannot expect to attract investors until after the resolution of the NUM strike, especially as the dividend—a major support of the share price—is no longer covered by earnings.

Setbacks in heavy engineering hit margins at Norcros

FIRST HALF operating profit margins came under pressure at Norcros as the company suffered a series of setbacks in heavy engineering and losses at one of its construction companies.

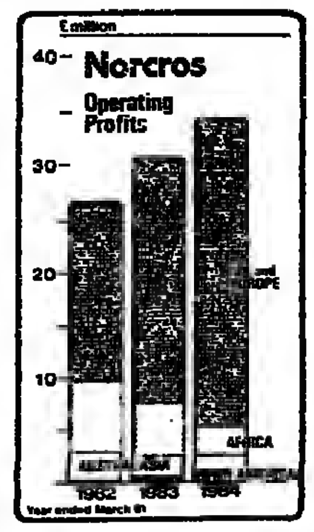
Group turnover for the six month period to end-September 1984 rose by 9.2 per cent to £179.87m but operating profits fell from £14.61m to £13.96m.

The UK engineering division incurred a loss of £97,000, against a profit of £1.98m, and profits from the construction side fell from £3.31m to £2.49m, entirely reflecting a "poor performance" at Crittall Construction.

A. B. Cranes and Butterley Engineering operated at a loss mainly due to the effects stemming from the miners' strike. Plans are being implemented to amalgamate these two companies into a single entity.

Overall, taxable profits rose marginally from £13.9m to £14.1m after taking into account investment income of £1.55m (£743,000) and associate companies' profits of £1.46m (£672,000) — interest payable amounted to £3.16m (£2.13m).

Shareholders will receive a higher interim dividend of 2.6p (2.3p). Stated earnings per 25p share were 7.89p (7.76p), after tax of £5.84m (£5.85m). Minorities took £562,000 (£485,000) and extraordinary debits came to £1.56m (£1.27m).



● comment

Norcros's marginal decline in operating profits caught the market on the wrong foot, and the shares accordingly slumped 17p to 165p. The setback is due to the unhappy coincidence of several specific trading problems, rather than any deep-seated managerial malaise. Nevertheless, it has dented Norcros's reputation enough to put UBM well out of reach for the time being. AB Cranes lost more than £1m because it launched itself into the offshore lifting industry at high cost just as prices were plummeting, though it has since slimmed overheads by consolidating its plant with Butterley. Meanwhile, Butterley itself has been struggling unsuccessfully to fill the large hole in its order book created by the miners' strike, while Lion Foundry lost £200,000 (not including £1.5m closure costs) thanks to British Telecom's decision to axe the cast iron telephone boxes it used to make. The City has downgraded its full-year profit expectations by a couple of million to around £35m pre-tax, which puts the shares on a prospective multiple of just 7.9 after a 40 per cent tax charge.

Whitecroft forecasts big profit rise

Whitecroft, textiles, building supplies and engineering concern, lifted pre-tax profits by just over £1m to £3.76m in the half year to September 30, 1984.

Although trading conditions are not maintaining the rate of improvement apparent earlier in the financial year, the directors say that, with the continuing development of the group, they expect a "significant improvement" for the full year, over the £6.24m achieved last time.

The interim dividend is to be increased by 0.3p to 2.3p net on increased capital. Earnings per share, after a substantially higher tax charge at £1.79m against £631,000, are stated at 9.6p, down from 10.3p.

Turnover rose from £43.7m to £51.28m, generating operating profit up from £2.58m to £3.88m. Related companies added less in the six months at £298,000 against £499,000.

A breakdown of profit before interest payable, at £421,000 (£334,000), reveals improvements in all the group's divisions except textiles, where the return slipped from £1.22m to £1.11m.

The other divisions trading results were as follows: building supplies £1.42m (£895,000); engineering £1.17m (£937,000); property development £1.01m (£63,000).

Baker Perkins hits £4.9m with optimism

FIRST HALF profits before tax of Baker Perkins rose by £3.33m and with orders on hand at September 30, 1984 exceeding £120m this "should ensure a very satisfactory result" for the full year and provide a "good start" to 1985-86.

The interim dividend is being lifted from 2.4p to 2.6p and the directors hope that the total payment for the year will at least be restored to its former level of 6.45p.

Sales for the opening six months to end-September pushed ahead from £80.23m to £106.89m and pre-tax profits reached £4.89m, compared with a previous £1.56m.

The group manufacturers plant and machinery for the food, chemical and printing industries.

Profits before tax were struck after taking account of expenses of £22.96m (£18.65m), a £185,000 (nil) share of related companies' losses and interest costs of £857,000 (£878,000).

Tax accounted for £1.34m (£9,000). Profits at the available level came through at £3.55m (£1.55m).

Earnings emerged at 10.7p (4.6p) per 50p share.

● comment

Baker's interim report may be as thin on detail as ever but the message is clear enough. The group is on its way to record profits of around £12m. That is doubly impressive considering that virtually all of its earnings are coming from equipment which didn't even feature in its catalogue a few years ago. Traditional activities, such as packaging and chemical plant equipment and a large part of its bakery machinery division, are losing money. The comforting point from that rather depressing picture is that lossclimination should push 1984-85 profits even higher—probably by at least 20 per cent. And there is clearly plenty of scope to improve on the dividend. Looking to a base of £15m for next year, and assuming tax of 30 per cent, the prospective p/e drops a full point to 5½ at 174p, up 12p yesterday. Long term Baker is still a company tied to cyclical demand but the rating is far too pessimistic.

Dubilier tops £5.5m and more growth ahead

Dubilier, Oxfordshire-based manufacturer of electric and electronic components, announced record pre-tax profits of £5.53m against £3.22m, on turnover ahead by £18.15m at £47.5m for the year to September 30 1984.

The final dividend is lifted from 1.1p to 1.4p, making a total for the year of 2.4p (2p). Net earnings per 5p share were stated up from 6.1p to 11.7p.

The directors say that a good start has been made to the new financial year. Order books are strong both in Europe and N. America and they expect progress to continue during the coming year.

In the UK Greenpar Connectors of Harlow had another good year with sales advancing by 42 per cent and an increase in the order book of 73 per cent. The expansion of manufacturing operations into the factory adjacent to the present site is planned for the current year.

In the U.S., Automatic Connector completed a satisfactory year. Further expansion and cost reduction programmes are to be implemented during 1985. As a sales outlet for Greenpar products, Automatic Connector *is of great importance to the group's long term strategy.*

The pre-tax profit figure was struck after administrative expenses of £8.96m (£5.52m), and interest charges of £949,000 (£676,000). Tax took a higher £1.56m (£.41m), and minorities absorbed £114,000 against £62,000. There was an extraordinary debit this time of £3m (nil).

● comment

On the face of it, these figures are startling confirmation of the successful switch Dubilier made from components into connectors for computers and telecommunications. The City thought as much, raising the shares 23p to 195p. However, the 72 per cent profits increase is an overstatement, made possible by the accounting treatment of Ion Beam Technology. Dubilier has deconsolidated this associate pending a rearrangement of its ownership which will leave it with a stake of 20 per cent or so. With good reason it wants new partners in a business which will demand large-scale investment. But the effect has been to take out a £850,000 loss. This should not detract from the strength of the group which looks good for over £7m pre-tax *this year.*

3i advances to £21.17m

PRE-TAX profits of Investors in Industry Group (3i) improved from £19.23m to £21.17m in the six months ended September 30, 1984.

The figures were struck after deducting £2.69m more for provisions debt at £18.48m, interest of £61.82m (£52.04m), exceptional debits of £245,000 (£516,000) and operating costs of £15.39m (£14.43m).

Additions included associates' share of profits at £2.64m (£3.76m) and profits on realisation of £25.76m (£20.43m).

Tax took £8.29m (£7.88m) and extraordinary debits £473,000 (£857,000 credits). Gross income was ahead at £88.7m, against £77.79m.

Group subsidiary, Investors in Industry, saw its profits before tax rise from £17.14m to £19.73m over the same six months.

Upturn at Hogg Robinson

AN UPTURN in the travel and transport division has boosted taxable profits of Hogg Robinson Group, insurance broker, by 29.5 per cent from £3.46m to £4.49m for the half year ended September 30 1984.

And on stated earnings per 25p share of 5.29p (3.66p) the interim dividend has been lifted to 3.8p (3.3p) net — last year's final distribution was 3.45p and pre-tax profits amounted to £11.08m.

Turnover advanced by £7.48m to £37.93m for the six months, while the operating surplus emerged at £3.9m, compared with £2.47m.

A breakdown of turnover and operating profits shows: insurance broking £19.3m (£16.99m) and £2.77m (£2.33m); Lloyds underwriting £647,000 (£527,000) and £181,000 (£130,000); other underwriting £715,000 last time and £242,000 (£302,000); travel and transport £16.66m (£10.19m) and £3.36m (2.13m); computer and investment services £1.32m (£2.03m) and £434,000 loss (£64,000 profit).

Mr Albert Wheway, chairman, says the healthy progress made by the travel and transport side continued into the current year. The reorganisation of the UK broking division became effective at the beginning of the year and the full benefits are not reflected in the interim figures. "But the results show an encouraging upward trend," he states.

● comment

Hogg Robinson's 29.5 per cent increase in taxable profits puts it on a more aggressive footing than it was just six months ago, even if the group is still not firing on all cylinders. Admittedly, a significant chunk of the improvement came from one-off investment gains. But the 55 per cent profits advance from the travel division, benefiting from an active corporate market, looks sustainable considering that Wakefield has only just started to contribute and will not make its presence fully felt until next year. And insurance broking's 19 per cent profits rise comes entirely thanks to an upturn in rates which shows no signs of slackening. On the other hand, a £434,000 loss caused by a dealing slip at Cresvale Securities and a decline in underwriting associates' earnings provide a salutary reminder of the unpredictability of some of Hogg Robinson's more peripheral activities. At any rate, around £14m pre-tax looks in reach for the year, which leaves the shares, up 1p to 214p, on a prospective multiple of 12.4 — an appropriate discount to the insurance broking sector.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Alphameric, Associated British Engineering, Berkeley Group, Capital Strategy Fund, OBE Technology, Doornkraal Gold Mining, Doornfontein Gold Mining, Driefontein Consolidated, Imperial Continental Gas, Kloof Gold Mining, Libanon Gold Mining, Meyer International, Parkfield, Smith Whitworth, Venterspost Gold Mining, Vlakfontein Gold Mining, Wight Collins Rutherford Scott, Wyndham Engineering.

Finals:—Frederick Cooper, Inn Leisure, Lake and Elliot, McCorquodale, McLeod Russel, Plaxtons (GB), Wolverhampton and Dudley Breweries.

FUTURE DATES

Interims:—

Continuous Stationery	Dec 14
Mayfair and City Properties	Dec 20
Oceonics	Dec 14
Russell (Alexander)	Dec 14
West's Group International	Dec 12

Finals:—

Chemring	Dec 19
Flexello Castors and Wheels	Dec 19
Great Western Resources	Dec 17
Pict Petroleum	Dec 19
RHP	Dec 13
Richards	Dec 13
Western Selection	Dec 18
Whitney	Dec 18

DATED December 10, 1984

This Advertisement includes information given in compliance with the Regulations of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the purpose of giving information to the public with regard to the Inter-American Development Bank ("the Bank") and the Stock. Full particulars on the Bank are available in the Extel Statistical Services System.

The Bank has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. The Bank accepts responsibility accordingly.

INTER-AMERICAN DEVELOPMENT BANK

Issue on a Yield Basis of £100,000,000 LOAN STOCK 2015

payable as to £30 per cent. of the nominal amount on application and as to the balance of the issue price by June 19, 1985 with interest payable half-yearly on November 15 and May 15

Baring Brothers & Co., Limited

County Bank Limited **Hill Samuel & Co. Limited** **Kleinwort, Benson Limited** **Lazard Brothers & Co., Limited**

Lloyds Bank International Limited **Morgan Grenfell & Co. Limited** **N.M. Rothschild & Sons Limited** **J. Henry Schroder Wagg & Co. Limited**

S. G. Warburg & Co. Ltd

Application has been made to the Council of The Stock Exchange for the £100,000,000 Loan Stock 2015 (the "Stock") to be admitted to the Official List for quotation in the Gilt-edged market.

The Stock will initially only be available in registered form, transferable in multiples of one penny. Renounceable allotment letters (partly paid) in respect of the Stock will be despatched on Wednesday, December 19, 1984. Stock Certificates will be despatched on July 10, 1985 provided the balance of the moneys payable has been duly paid.

No person is authorised to give any information or to make any representation not contained herein or in the Extel Card dated December 10, 1984 giving any information relating to the Bank (or any abridgement hereof or thereof authorised by the Bank) and any information or representation not contained herein or therein must not be relied upon as having been authorised by the Bank or by any of the Managers named above. This document does not constitute an offer to sell or solicitation of an offer to buy the Stock in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

The Stock is not open for applications to subscribe by U.S. persons. "U.S. person" means any person who is a national, citizen or resident of, or who is normally resident in, the United States, including the estate of any such person, corporations and partnerships created or organised in the United States and "United States" means the United States of America, its territories and possessions and all areas subject to its jurisdiction.

The application list will open at 10.00 a.m. on Thursday, December 13, 1984 and will close later the same day.

INFORMATION RELATING TO THE ISSUE

Determination of Rate of Interest, Issue Price and Issue Yield

The Stock will have attached such rate of interest and be issued at such price as will result in the Stock having a Gross Redemption Yield equal to the Issue Yield as determined on the basis described below.

The Issue Yield shall mean the sum of one per cent. and the Gross Redemption Yield, rounded to three places of decimals (with 0.0005 being rounded upwards), on 13½ per cent. Treasury Stock 2004-2008 (the "Reference Stock") calculated by reference to the price of the Reference Stock on The Stock Exchange at 3.00 p.m. on Wednesday, December 12, 1984, such price to be determined by Baring Brothers & Co., Limited ("Barings") to be the arithmetic mean of the bid and offered prices quoted on a dealing basis for settlement on the following business day by three jobbers in the Gilt-edged market. The Gross Redemption Yield on the Reference Stock will be expressed as a percentage and will be calculated on the basis set out in the *Journal of the Institute of Actuaries*, Vol. 105, Part I, 1978, page 18.

The rate of interest attaching to the Stock will be an integral multiple of one eighth of one per cent. and will be consistent with an issue price as near as possible to £85 per cent. The issue price will be expressed as a percentage rounded to three decimal places (with 0.0005 being rounded upwards).

It is intended that notice of the Issue Yield, rate of interest, issue price and the amount of the first interest payment will be published in the *Financial Times* on Thursday, December 13, 1984.

Underwriting Arrangements

By an Underwriting Agreement dated December 10, 1984, Barings, County Bank Limited, Hill Samuel & Co. Limited, Kleinwort, Benson Limited, Lazard Brothers & Co., Limited, Lloyds Bank International Limited, Morgan Grenfell & Co. Limited, N.M. Rothschild & Sons Limited, J. Henry Schroder Wagg & Co. Limited and S. G. Warburg & Co. Ltd. (the "Managers") have agreed with the Bank to underwrite the issue of the Stock.

Barings, on behalf of the Managers, and the Bank may agree in certain circumstances to terminate the Underwriting Agreement, which is subject to certain conditions and accordingly, if they so agree or the Underwriting Agreement does not become unconditional, applications for the Stock will become void or, as the case may be, no applications for Stock will be accepted.

Terms of Payment in Respect of Applications

Each application, unless made by a recognised bank or stockbroker taking advantage of the alternative method of payment described below, must be accompanied by a cheque payable to "Baring Brothers & Co., Limited" and crossed "IADB Loan", representing payment at the rate of £30 per cent. of the nominal amount of the Stock applied for. Such cheques must be drawn on a branch in the United Kingdom (including Northern Ireland), the Channel Islands or the Isle of Man of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques to be cleared through the facilities provided for the members of those Clearing Houses.

An alternative method of payment is available in respect of payments of £50,000 or more only to recognised banks or stockbrokers who irrevocably engage to pay Barings for credit to the account designated "IADB Loan" by 10.00 a.m. on Wednesday, December 19, 1984 the amount in Town Clearing Funds representing payment at the rate of £30 per cent. of the nominal amount of the Stock in respect of which their applications shall have been accepted. The expression "Town Clearing Funds" shall mean a cheque, bankers' payment or bankers' draft which is eligible for presentation in the Town Clearing System in the City of London.

Barings, on behalf of the Bank, reserves the right to retain the relevant allotment letters and surplus application moneys (if any) pending clearance of applicants' remittances.

The balance of the amount payable on the Stock allotted must be paid so as to clear by 12 noon on Wednesday, June 19, 1985. Any amount paid in advance of its due date shall not bear interest.

Failure to pay the balance on any Stock when due will render all amounts previously paid liable to forfeiture and the allotment liable to cancellation. Interest at the rate per annum of 4 per cent. above the base rate for the time being of Barings may be charged on such balance if accepted after its due date. The Bank further reserves the right, without prejudice to any other rights, in default of payment to sell any such Stock fully paid for its own account.

The expression "recognised bank or stockbroker" shall mean any organisation which is a recognised bank for the purposes of the Banking Act 1979 and any firm of stockbrokers which is a member of The Stock Exchange and such other banks or brokers as Barings shall at their absolute discretion agree for the purposes of the issue.

Delivery

Renounceable allotment letters (partly paid) in respect of Stock allotted will be despatched on Wednesday, December 19, 1984 by first class post at the risk of the person submitting the application in accordance with *the instructions stated on the Application Form*.

Allotment letters may be split up to 3.00 p.m. on Monday, June 17, 1985 in accordance with the instructions contained therein into denominations or integral multiples of £100 nominal amount of Stock.

Unless a duly renounced fully paid allotment letter with the registration application form duly completed is received by Barings by 3.00 p.m. on Wednesday, June 19, 1985 the Stock represented by such allotment letter will, when fully paid, be registered in the name of the original allottee and thereafter Stock will be transferred only by instrument of transfer.

Stock Certificates will be despatched on July 10, 1985 after which date allotment letters will cease to be valid for any purpose.

TERMS AND CONDITIONS OF THE STOCK

The issue of the Stock has been authorised by a Resolution of the Executive Directors of the Bank passed on November 28, 1984 and will be constituted as an unsecured obligation of the Bank by an Instrument to be dated December 19, 1984 (the "Instrument") to be executed by the Bank and deposited with Barings.

The Stock is not an obligation of any government.

The following is a summary of the terms and conditions relating to the Stock:–

Status

The Stock will represent a direct and unsecured obligation of the ordinary capital resources of the Bank for the due and punctual payment of principal and interest in respect of the Stock and for the performance of all obligations of the Bank with respect thereto. However, the Agreement Establishing the Inter-American Development Bank (as amended) allows the merger of the inter-regional capital stock and the ordinary capital stock of the Bank at such time as the Bank shall have discharged its liabilities on all its ordinary capital borrowings which were outstanding at December 31, 1974. In the event of such merger, the Stock would be payable from the merged capital resources.

The Stock will rank *pari passu* with all bonds, notes, stock and other evidences of indebtedness issued, assumed, or guaranteed by the Bank and payable from the same capital resources for the time being as the Stock.

Negative Pledge

As long as any of the Stock shall be outstanding and unpaid, the Bank will not cause or permit to be created on any of its property or assets any mortgage, pledge or other lien or charge as security for any bonds, notes, stock or other evidences of indebtedness heretofore or hereafter issued, assumed or guaranteed by the Bank for money borrowed (other than purchase money mortgages, pledges or liens on property purchased by the Bank as security for all or part of the purchase price thereof), unless the Stock shall be secured by such mortgage, pledge or other lien or charge equally and rateably with such bonds, notes, stock or other evidences of indebtedness.

Interest

The Stock will bear interest from December 19, 1984 at a rate per annum to be determined in accordance with "Determination of Rate of Interest, Issue Price and Issue Yield" above. Interest will be payable by equal half-yearly instalments on November 15 and May 15 ("Interest Payment Dates") in each year except that the first payment of interest will be for the period from December 19, 1984 to November 15, 1985 and will be calculated using the following formula:–

$$£I = R \times \frac{182}{365} \times \frac{30}{P} + R \times \frac{149}{365}$$

where

£I is the first payment of interest on £100 nominal amount of Stock (rounded to three decimal places with 0.0005 being rounded upwards),

R is the percentage rate of interest attaching to the Stock, and

P is the issue price.

Interest will cease to accrue on the Stock on the due date for redemption thereof unless payment of principal is improperly withheld or refused by the Bank.

Form and Transfer

The Stock will initially be issued in registered form and will be transferable in multiples of one penny by an instrument in writing as if the Stock were a security to which Section 1 of the Stock Transfer Act 1963 and The Stock Exchange (Completion of Bargains) Act 1976 of Great Britain applied or by any other form approved by the Bank. The Initial Register and Transfer Office for the Stock will be at Barings, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

The Bank reserves the right to terminate the appointment of the Registrar provided that no such termination shall take effect until a registrar having a specified office in London has been appointed and notice of whose appointment has been given to holders of the Stock in accordance with "Notices" below.

Redemption and Purchase

(a) Redemption

Unless previously purchased and cancelled or redeemed, the Bank will redeem the Stock at par on May 15, 2015.

(b) Purchases and Cancellation

The Bank may at any time purchase Stock on any recognised stock exchange or by tender (available to all holders of the Stock alike) at any price or by private treaty at a price (exclusive of accrued interest and all costs of purchase) not exceeding 120 per cent. of the middle market quotation of the Stock on The Stock Exchange (or, failing such quotation, on such other stock exchange on which the Stock is listed for the time being) at the close of business on the last business day before the date of purchase, but save as aforesaid, the Bank may not purchase any Stock. The Bank will be entitled to hold and deal with Stock purchased under this paragraph (b), which may be cancelled or not as the Bank thinks fit.

Payments

Payments of principal and interest will be made in pounds sterling by warrant, drawn on a Town Clearing Branch of a bank in the City of London, which will be sent at the holders' risk by post to persons who are registered as holders of Stock at the close of business on the relevant Record Date (as defined below) or to their nominated agents and made payable to such holders or as they may direct. In the case of joint holders, the warrant will be sent to the first-named unless instructions to the contrary are given in writing. The "Record Date" shall mean the thirtieth day before an Interest Payment Date but should such thirtieth day fall on a day on which the specified office of the Registrar is not open for business then the Record Date shall mean the first day thereafter on which such specified office is open for business.

Events of Default

If the Bank shall default in the payment of the principal of, or interest on, or in the performance of any covenant in respect of a purchase fund or a sinking fund in, any bonds or notes (including the Stock) or similar present or future obligations which have been issued, assumed or guaranteed by the Bank or in the performance of any other obligation arising from "Negative Pledge" above, and such default shall continue for a period of 90 days, then at any time thereafter and during the continuance of such default the holder of any of the Stock may deliver or cause to be delivered to the Bank at its Principal Office in the City of Washington, District of Columbia, United States of America, written notice that such holder elects to declare the principal of all Stock held by him to be due and payable, and on the thirtieth day after such notice shall be so delivered to the Bank the principal of such Stock shall become due and payable, unless prior to that time all such defaults theretofore existing shall have been cured.

Prescription

Principal will cease to be payable on the expiry of a period of 10 years and interest will cease to be payable on the expiry of a period of 5 years, in each case from the due date.

Replacement of Stock Certificates

If any Stock Certificate is mutilated, defaced, destroyed, stolen or lost it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Bank and the Registrar may require. Mutilated or defaced Stock Certificates must be surrendered before replacements will be issued.

Bearer Stock

The Instrument will provide that the Bank may, by executing a supplemental instrument in form satisfactory to the Registrar but without the consent of the holders of the Stock, make provision for the Stock to be exchangeable for Stock in bearer form and for such Stock to be exchangeable for Stock in registered form, in each case at the option of the holder, all on such terms as will be set forth in such supplemental instrument. In such event the terms of the Stock shall, as from the date specified in such supplemental instrument, be deemed to include such provisions and all the Stock will be entitled to the benefit of, and be held subject to, such provisions.

Further Issues

If the Bank wishes to issue further stock so as to form a single issue with the Stock, it shall be at liberty to constitute such further stock by a supplemental instrument on terms that it shall be or become consolidated and form a single issue with the Stock.

Modification of Rights

Except as mentioned above, the conditions of the Stock, the provisions of the Instrument and the rights of the holders of the Stock will be subject to modification by Extraordinary Resolution of the holders of the Stock as provided in the Instrument. Such a Resolution will require a majority of not less than three-quarters of the votes cast thereon.

Notices

All notices shall be valid if despatched by post to the holders of the Stock at their registered addresses (in the case of joint holders to the address of the holder whose name stands first in the Register). Any such notice shall be deemed to have been given on the day following the date of such despatch.

Governing Law

The Stock and the provisions of the Instrument will be governed by and construed in accordance with the laws of England. Legal proceedings in connection therewith may be brought in the courts of England.

INFORMATION RELATING TO THE STOCK

Purchase Fund

By an Agreement dated December 10, 1984 (the "Purchase Agency Agreement"), the Bank has appointed Barings as its purchase agent (together with any successor, the "Purchase Agent") in relation to the Stock (which for this purpose includes the stock of any further issue made pursuant to "Terms and Conditions of the Stock – Further Issues" above once it has become consolidated with the Stock then outstanding). The Purchase Agent will endeavour to purchase on The Stock Exchange or otherwise £5,000,000 nominal amount of the Stock (including rights thereto and, in the case only of the £100,000,000 nominal amount of Stock now being offered, regardless of whether partly or fully paid) for the account of the Bank during the two year period ending on December 19, 1986. Purchases will be made at such prices (exclusive of accrued interest and all costs of purchase) as the Purchase Agent may at its sole discretion consider reasonable in the light of then prevailing market conditions, but not exceeding the issue price of the £100,000,000 nominal amount of Stock now being offered (or, so long as such Stock remains partly paid, £30 per cent. of the nominal amount thereof) at such times within such two year period as the Purchase Agent may at its sole discretion determine. Stock so purchased will be cancelled. The nominal amount of Stock which the Purchase Agent will be required to endeavour to purchase pursuant to the Purchase Agency Agreement will be reduced to the extent that the Bank purchases Stock otherwise than through the Purchase Agent and submits such Stock to the Purchase Agent for cancellation. Within 21 days of each Interest Payment Date the Bank will announce the nominal amount of Stock cancelled pursuant to the Purchase Agency Agreement during the six months preceding such Interest Payment Date.

The Bank undertakes that it will not terminate the Purchase Agency Agreement during the above two year period or seek to amend it so as to reduce the £5,000,000 nominal amount or the two year period or the maximum prices mentioned above. Any amendment to the Purchase Agency Agreement will be notified to holders of the Stock in the same manner as notices to holders of the Stock are required to be given in accordance with the terms and conditions of the Stock.

The above undertaking is not a term or condition of the Stock. The Purchase Agent will act solely as the agent of the Bank and does not assume any duty of agency or trust towards the subscribers of the Stock or the holders for the time being of the Stock.

Current United Kingdom Tax Treatment and Stamp Duty

Interest on the Stock is payable without deduction of United Kingdom income tax. On the occasion of each interest payment the Registrar will supply the Inland Revenue with the names and addresses of the holders of the Stock to whom interest is due, the amount of Stock held by them, the names and addresses of any other persons to whom interest is paid on the instructions of such holders and the amount of interest paid to each such person.

The Stock will not be a "deep discount security" the tax treatment of which falls to be determined by reference to Section 36 of, and Schedule 9 to, the Finance Act 1984. The Inland Revenue have confirmed that, notwithstanding that the issue price of the Stock may be below its nominal value, no part of that nominal value paid on redemption of the Stock on May 15, 2015 (or upon the Stock becoming redeemable following an event of default pursuant to the provisions set out under "Events of Default" above) will be treated as subject to United Kingdom tax as income (except where the recipient is a person holding the Stock as a dealer for United Kingdom tax purposes). They have also confirmed that, under current law, on a disposal of the Stock in the open market by a holder of the Stock (other than a disposal by a person holding the Stock as a dealer for United Kingdom tax purposes, but including any disposal by any other person on a purchase made by the Bank pursuant to the provisions set out under "Redemption and Purchase" or "Purchase Fund" above), no part of the disposal proceeds received will be subject to tax as income.

The Bank has been advised that the Stock will be a qualifying corporate bond within the meaning of Section 64 of the Finance Act 1984 for the purposes of United Kingdom tax on capital gains on the basis that the Inland Revenue have confirmed, *inter alia*, that the fact that the Stock may be issued at the discount envisaged in this issue will not of itself mean that the conditions of Section 64 (2)(b) are not satisfied. As a qualifying corporate bond, gains on Stock held for more than 12 months will generally be exempt from that tax by virtue of Section 67 of the Capital Gains Tax Act 1979 (as extended by Section 64 of the Finance Act 1984). Capital losses on disposal of Stock held for more than 12 months from the relevant acquisition will not be allowable losses. If the disposal is within 12 months from the relevant acquisition, any gain will be taxable and any capital loss will be allowable, subject to the detailed legislation dealing with the *identification of securities and utilisation of losses*.

Transfers of the Stock are free of United Kingdom stamp duty.

Persons contemplating the acquisition of Stock who are uncertain as to their United Kingdom tax treatment or as to their treatment under the revenue laws of other jurisdictions should consult their professional advisers.

Stock Exchange Dealing

The Stock will be eligible to be dealt in on The Stock Exchange in the Gilt-edged market. The Stock will normally be traded for settlement and delivery on the working day after the date of the transaction. Under current market practice the price of the Stock will be quoted inclusive of accrued interest until the Stock has five years or less to run to maturity.

It is expected that dealings in the Stock on The Stock Exchange will begin on Friday, December 14, 1984, without documents of title and at seller's risk, for deferred settlement on Thursday, December 20, 1984.

Trustee Status

When the Stock is listed it will be an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961.

Insurance Company Regulations

The Bank is an "approved financial institution" within the meaning of Part V of the Insurance Company Regulations 1981.

USE OF PROCEEDS

The net proceeds to the Bank from the issue of the Stock will be included in its ordinary capital resources and used in its ordinary operations.

SUMMARY INFORMATION REGARDING THE BANK

All amounts set forth below are expressed in current United States dollars.

Establishment, Domicile and Membership

The Inter-American Development Bank is an international institution, the members of which are governments. It was established and is operating under the Agreement Establishing the Inter-American Development Bank signed by those governments. The Bank officially began operations on October 1, 1960. Its principal office is located in Washington, D.C. Forty-three governments are members of the Bank, including the United States and twenty-six other American governments, and the governments of sixteen non-regional countries.

Purpose of the Bank

The purpose of the Bank is to further the economic and social development of the regional developing member countries, individually and collectively.

Capital Resources of the Bank

The capital resources of the Bank consist of the inter-regional capital resources and the ordinary capital resources. The inter-regional capital resources are held, obligated and otherwise disposed of entirely separate from the ordinary capital resources.

The Agreement provides for the ultimate merger of the inter-regional and ordinary capital resources. It is intended to propose to member governments that the merger take place by the end of 1986. In this connection, the Board of Executive Directors has authorised the advance redemption by the end of 1986 of the Bank's ordinary capital borrowings issued prior to 1975 and maturing after December 31, 1986. The purpose of the advance redemption is to establish the preconditions for the merger of the two capitals.

Capital Borrowings Outstanding as of June 30, 1984 ($000's)

	Inter-regional	*Ordinary*	*Illustrative Combined*
Repayable in:			
United States dollars	$ 867,680	$ 1,156,269	$ 2,023,949
Currencies of other regional members	—	15,935	15,935
Currencies of non-regional members	2,031,794	1,318,163	3,349,957
Total Borrowings	$ 2,899,474	$ 2,490,367	$ 5,389,841

Capital Stock and Reserves as of June 30, 1984 ($000's)

	Inter-regional	*Ordinary*	*Illustrative Combined*
Subscribed Capital	$ 8,292,343	$13,608,746	$21,901,089
Less–Callable portion of subscriptions	7,437,299(1)	12,358,335(2)	19,795,634
Paid-in Capital Stock	855,044	1,250,411	2,105,455
General Reserve	171,685	1,270,118	1,441,803
Special Reserve	57,369	301,730	359,099
Total Paid-in Capital Stock and Reserves	$ 1,084,098	$ 2,822,259	$ 3,906,357

(1) The callable portion of inter-regional capital subscriptions, totalling $7,437,299,000 may be called only when required to meet the obligations of the Bank for funds borrowed or on loans guaranteed by it. This amount may not be called by the Bank to make loans.

(2) The callable portion of ordinary capital subscriptions, totalling $12,358,335,000 may be called only when required to meet the obligations of the Bank for funds borrowed or on loans guaranteed by it. This amount may not be called by the Bank to make loans.

Loan Operations

As of June 30, 1984 the Bank had approved loans from its inter-regional capital resources in an aggregate principal amount equivalent to $7,404,551,000 to finance programmes or projects in 18 countries. Of that amount, sales to participants and repayments by borrowers were the equivalent of $459,893,000, the undisbursed balances were the equivalent of $4,657,350,000 and outstanding balances held by the Bank were the equivalent of $2,287,308,000.

As of June 30, 1984 the Bank had approved loans from its ordinary capital resources in an aggregate principal amount equivalent to $7,941,725,000 to finance programmes or projects in 22 countries. Of that amount, sales to participants and repayments by borrowers were the equivalent of $2,333,124,000, the undisbursed balances were the equivalent of $2,349,580,000 and outstanding balances held by the Bank were the equivalent of $3,259,021,000.

Summary of Balance Sheet of Inter-regional and Ordinary Capital as of June 30, 1984 ($000's)

	Inter-regional	*Ordinary*
Assets		
Cash	$ 13,519	$ 231,258
Investments	1,047,484	1,277,190
Loans outstanding	2,287,308	3,259,021
Accrued interest and other charges	93,825	105,731
Receivable from members	548,015	165,531
Other assets	56,908	71,158
Special Reserve assets	57,369	301,730
Total Assets	$4,104,428	$5,411,619
Liabilities and Capital		
Liabilities		
Borrowings, less unamortised discount	$2,892,263	$2,484,219
Accrued interest on borrowings	106,109	67,168
Accounts payable and other liabilities	21,958	37,973
Capital		
Capital Stock		
Subscribed	8,292,343	13,608,746
Less-Callable portion	7,437,299	12,358,335
	855,044	1,250,411
General Reserve	171,685	1,270,118
Special Reserve	57,369	301,730
	1,084,098	2,822,259
Total Liabilities and Capital	$4,104,428	$5,411,619

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UK COMPANY NEWS

Norton Opax grows to £1m halfway

A POLICY of strategic growth has continued at Norton Opax for the six months to the end of September 1984, and pre-tax profits have climbed from £388,000 to £1.01m on turnover of £17.77m against £4.51m.

Mr David Rocklin, chairman, is confident that, like the interim figures, full year results for 1984-85 will be another record. During the period, acquisitions by this security and specialist printer included Broadprint Group and Lund Humphries, and since the year-end interests have been extended into media sales, with the acquisitions of Twentieth Century Theatre Publicity and Manor House Press.

Benefits arising from the acquisition policy have enabled the directors to achieve the aim of lessening the cyclical nature of the business and to bring the two half years' results more into balance.

In the last full year, pre-tax profits were £1.01m on turnover of £10.6m.

The net interim dividend has been held at 1p on capital increased by acquisitions, and a one-for-five scrip is also proposed. The directors intend to at least maintain the dividend on the enlarged share capital.

First half earnings per share are shown as moving ahead from 2.41p to 5.61p.

A rights issue last July raised £3m. The directors report that the Prudential Corporation now has an interest in 6.4 per cent of ordinary shares.

Trading profits of £1.29m (£408,000) were subject to interest of £284,000 (£20,000). Tax amounted to £352,000 (£170,000). There were extraordinary debits this time of £82,000 (£223,000) and dividends will absorb £125,000 (£67,000), leaving retained profits up from £374,000 to £447,000.

The group, formerly known as Norton & Wright, made a £10.7m bid for John Waddington last May. At that stage, it was expanding rapidly after a management reorganisation following problems with its traditional lottery business.

● comment

Chief executive Richard Hanwell hit the headlines last year as on of the two men who tried to buy John Waddington. Now **Norton Opax** is making news with the acquisitions Mr Hanwell did complete. These account for more than two-thirds of the increase in trading profits. Equally importantly, despite a rights issue and share issues to fund the purchases earnings per share are up 132 per cent. The old lottery business, though more profitable than ever, accounts for under 20 per cent of turnover, against over 90 per cent two years ago. The other arms of the group are now security printing, colour printing and advertising sales, which is being expanded greatly by the two most recent acquisitions, Twentieth Century Theatre Publicity and Manor House Press. Norton should make £2.2m pre-tax this year, which on a 35 per cent tax charge puts the shares, up 3p to 133p, on a multiple of about 13½ times. They look undervalued given that the potential of the companies bought so far has yet to be fully exploited.

Crown House up to £1.5m midway

PRE-TAX PROFITS at Crown House rose from £1.09m to £1.47m in the six months ended September 30 1984, and Mr Patrick Edge-Partington, the chairman, says that a "not unsatisfactory outcome to the year's trading should be achieved."

The half year result is an indifferent guide to the likely year's results, says the chairman, and he does not expect a profit advance on the scale achieved in the last full year, when the group taxable profit reached £5.16m, a rise of some 35 per cent.

After stripping out the contribution from subsidiaries disposed of since April 1983 the result from this electrical and mechanical engineer and contractor and manufacturer of table glassware was £1.31m against £956,000.

The interim dividend is lifted from 2.5p to 2.75p net per share, following last year's total of 6.4p.

Turnover rose from £74.14m to £84.06m for the six months. In his last statement the chairman referred to the importance of the engineering contract subsidiary having more success in obtaining acceptable orders for larger jobs. He now reports that some progress has been made in this respect in recent months. UK contracting orders received in the period under review were 15 per cent greater than in the corresponding half year, but overseas new work is "increasingly hard to come by at acceptable margins as competition becomes more severe."

At the manufacturing engineer and merchant subsidiaries W. J. Furze & Co and Jest Equipment, the higher level of profit achieved last year is being maintained. The tableware division achieved an "encouraging" advance in profit, rising from £367,000 to £521,000. Strong demand for machine-made glassware for export was the main reason, but the UK market continued to be uncertain.

After tax at £749,000 (£375,000), the surplus on the sale of Senior Secretaries was included as an extraordinary item, and amounted to £1.09m (£29,000). Minority interests added £150,000 (took £111,000) and the dividends will account for £632,000 (£575,000), enabling the company to transfer £1.33m (£61,000) to reserves.

Preedy cuts losses as sales rise

FIRST-HALF results at Alfred Preedy and Sons, wholesale and retail tobacconists, showed continued progress towards the group's objective of improving significantly the level of return on assets employed. The pre-tax loss was substantially lower at £188,000 for the six months to September 29, 1984, compared with losses of £402,000 in the corresponding period last year.

The growth in turnover, up from £45.44m to £48.25m, reflects a sizeable increase in the sales of cigarettes and tobacco goods as a result of enhanced promotional activity in the retail shops, says Mr S. L. Preedy, the chairman.

Mr Preedy says the performance of the Ronson and the printing and school contracting divisions, where trading conditions remain difficult, was similar to that in the previous year.

Group first-half profits were struck after interest charges down from £300,000 to £205,000. There was an exceptional surplus of £86,000 (£138,000). No tax was again payable.

The interim dividend is raised from 0.75p to 1p net—last year's total was 3.5p.

Due to the inherent seasonality of the group's trading, the outcome for the year as a whole will depend, as ever, on the level of activity during the Christmas and New Year period. On current evidence, Mr Preedy says the board is confident that the improving trend in business will continue.

Bristol Post rises to £1.4m

Bristol Evening Post reports pre-tax profits up from £774,000 to £1.38m for the half year ended September 30 1984.

And, with the back-up of the successful sale of Reuters' shares and the development of New Broadmead, the directors have decided to reduce the disparity between the interim and final dividend by lifting the current halftime payment from 4p to 7.5p net. They stress, however, that the final (12.5p last time) will depend largely on the second half trading.

No profit from the sale of the Reuters' shares or income from the development of New Broadmead are included in the half-year figures. In June 798,315 shares in Reuters were sold and realised a capital profit of £1.13m after capital gains tax, while the anticipated rental income expected for the current six months from New Broadmead should be of the order of £80,000.

In the half-year to September group sales were ahead by almost £2m to £19.89m while the trading profit moved up from £787,000 to £1.38m. Newspaper publishing accounted for £685,000 (£177,000), retail activities £320,000 (£260,000), features agencies £19,000 (£21,000), transport £46,000) (£20,000), and property rental £308,000 (£309,000). Last year the profit from newpapers was reduced by expenditure of some £180,000 on the changeover to tabloid format of the Evening Post and Western Daily Press.

The group, through Bristol United Press, still holds 824,965 shares in Reuters. These have a current market value of £2.4m and are in the account at a book value of nil. Within the last few weeks the New Broadmead development has been completed on "highly satisfactory" terms. All units, except one small shop, are either trading with leases completed or are under offer, and the secured rentals amount to some £500,00 in a full year.

After tax £623,000 (£402,000) and minorities £229,000 (£91,000), the net attributable profit for the period comes to £532,000 (£281,000) for earnings of 13p (6.9p) per 25p share.

Caledonian Offshore to raise £5.6m via rights

Caledonian Offshore, the unquoted company involved in oil and gas exploration and production, is to raise approximately £5.6m net of expenses by way of a rights issue.

The proceeds of the issue assuming full subscription, will be applied to the costs of further exploration and appraisal with a view to achieving commercial production of oil and gas.

The basis of the issue is of three new ordinary shares for every four existing £1 shares held, at a subscription price of 200p for each new share.

The directors explain that following the "encouraging results" from recent drilling on block 29/02A by Conoco and on block 44/23 by Texas Gas, further expenditure is required for seismic survey and possible drilling.

They also consider it important that the company should add to its exploration acreage by participating in the ninth licensing round.

Certain larger shareholders who together hold 61.5 per cent of the existing issued ordinary share capital have indicated that they intend to subscribe for their entitlement for the new ordinary. The issue is not therefore being underwritten.

London listing for Engelhard

Engelhard Corp of the U.S. has arranged a listing for its shares in London and Switzerland. London dealings for the group, which is quoted on the New York Stock Exchange, should start tomorrow. The listing has been arranged by Goldman Sachs and James Capel.

Engelhard makes speciality chemicals and metallurgical products around the world, and specialises particularly in the manufacture of catalysts.

The group foresees strong growth in Europe for car exhaust catalysts—a market in which it is strong in the U.S.

APPOINTMENTS

Marchwiel restructures

MARCHWIEL, holding company for the Sir Alfred McAlpine Group, has developed a new management structure. The reorganisation includes creation of four divisions: construction, minerals, homes and property. Divisional directors have been appointed to head each section. Mr O. J. Rich, construction, Mr J. W. Roberts (to be succeeded by Mr T. Scurry next year), minerals, Mr P. J. Davies, homes, and Mr M. F. Sanderson, property. Each division director will report to Mr R. J. McAlpine, who has been appointed chief executive. Mr A. J. McAlpine remains chairman. As well as his construction division responsibilities, Mr O. J. Rich has also been appointed deputy chief executive.

*

The Duke of Westminster is to become a director of COUTTS AND CO on January 1.

*

F. PRATT ENGINEERING CORP has appointed Mr J. B. Watts as managing director from January 1. Mr Ian C. Dick will become chairman of special projects, responsible to Mr Watts.

*

Mr A. Ross Belch and Mr Otto R. Norland have been appointed to the board of DATA-SHIP (UK). Mr Belch is a former chairman and managing director of Scott Lithgow. Mr Norland is a former managing director of Hambros Bank.

*

WADDINGTONS BUSINESS FORMS, part of the John Waddington Group, has appointed three directors. Mr Tony Mason, a director, takes up the new position of assistant managing director. Mr George Bundy, general sales manager, has been appointed sales director, and Mr Graham Trousdale, marketing manager, is appointed marketing director.

*

Mr Paul Slater has been appointed a director of HENRY ANSBACHER AND CO.

*

Mr A. S. R. Jones and Mr G. E. Spencer have been appointed assistants to the directors at GERRARD & NATIONAL.

*

Sir Peter Macadam has been elected chairman of LIBRA BANK. Sir Peter, who served as chairman of BAT Industries from 1976-82, was a director of National Westminster Bank.

*

Mr Stuart Goldsmith, investment director of BRITANNIA ARROW HOLDINGS and managing director of The Britannia Group of Investment Companies, has relinquished all executive responsibilities with the group to pursue other opportunities. He remains a non-executive director of Britannia Arrow until December 31. Mr Peter Baker, who joined the board of Britannia Arrow in July 1980, has been appointed investment director. Mr Norman Riddell has been promoted to managing director of The Britannia Group of Investment Companies and of Britannia Group of Unit Trusts.

*

NU-AIRE INTERNATIONAL recently formed subsidiary company of Nu-Aire, has appointed Mr Peter Gentle as a director. He was Middle East manager.

*

Mr Max Browning has joined CHRISTOPHER TILLY & ASSOCIATES as a partner. The firm is a member of the Ward Howell International Group. Mr Browning was vice president administrative service, Security Pacific National Bank.

*

Mr Werner Gruenwald has been appointed managing director of STEYR-DAIMLER-PUCH (GB) following the resignation of Mr Peter Bolton. He was company secretary.

*

Mr Arthur Stephen Walsh, managing director of The Marconi Company, has been elected a director of GEC.

*

Mr Rob Merrick has been appointed manager of CANNON ASSURANCE'S broker services division. He was marketing manager.

Atlanta defence outlines bid plan

By Martin Dickson

Atlanta Investment Trust, which is fighting a takeover bid by the Grovebell Group, has simultaneously announced a substantial reduction in pre-tax revenues and plans to acquire **Kingsnorth Trust**, the licensed deposit taker.

The announcements came in a defence document to shareholders describing Grovebell's offer as "inadequate and totally opportunistic." It said that during the last 14 months Atlanta had developed the foundations of a financial services business, in addition to its activities as an investment trust, and the Grovebell offers "in no way reflect the potential attributable to Atlanta's shareholders from the development of this business."

£ The document also contained Atlanta's preliminary results for 1984, set against 1983 figures restated to take account of the company's acquisition last January of Construction Holdings.

Gross revenue was £889,000, against £455,000 in 1983, but group revenue before tax totalled £170,000, against £285,000.

Revenue after tax, minority interests and extraordinary items was £104,000, against £109,000 last year, and earnings per share were 0.3p, against 4.9p. The company did not give a figure for net asset value per share.

Mr Tony Cole, Atlanta's managing director, said the figures reflected the start-up costs of the company's financial services activities, which had been largely written off in the first year and were expected to produce a growing contribution to the group, which could no longer be judged solely on a traditional investment trust.

The document also revealed that Atlanta agreed to buy Kingsnorth Trust, which specialises in mortgage lending, for up to £780,000. The deal is conditional on the Bank of England granting it a licence to carry on deposit taking business.

Atlanta said the Grovebell would result in a material decrease in the assets per share attributable to Atlanta's ordinary shareholders and a change in the nature of those assets—from a spread of marketable securities to less liquid commercial assets, many of them related to the motor trade.

Grovebell has offered 17 of its shares for two Atlanta shares, valuing each Atlanta share at 131.75p at yesterday's closing Grovebell price of 15½p, down 3p. There is a cash alternative of 127.5p per Atlanta share, compared with yesterday's closing price of 133p, up 2p.

Waddington plays its trump card

BY CHARLES BATCHELOR

John Waddington, the games and packaging group, yesterday forecast a sharp rise in 1984-85 profits and played what it hopes will be a trump card in its six-week battle to fight off **British Printing and Communication Corporation's** (BPCC) £44.2m takeover bid.

Waddington, the Leeds-based maker of Monopoly and Cluedo, *expects pre-tax profits to rise 69* per cent to "not less than £5.7m" in the year ending March 1985. This will lead to an increase of 34 per cent to 57.2p in earnings per share.

The Waddington forecast came just three days before the final closing date of the BPCC cash-only offer of 500p per share. The forecast failed to move the 520p level it has held since last Thursday's close of trading — apparently because it was very much in line with BPCC's own "best estimate" for Waddington of around £5.5m.

Kleinwort Benson, Waddington's merchant bank adviser, made it clear yesterday that it had no plans to seek a High Court ban on Mr Robert Maxwell, the BPCC chairman, exercising the rights attached to his existing holding of 23.3 per cent the games maker.

The Waddington camp has queried the true ownership of Mr Maxwell's Liechtenstein-registered Pergamon empire, which owns 61 per cent of BPCC.

Kleinwort now believes that resorting to the High Court—as Currys did unsuccessfully last week in its defence against Dixons' £248m takeover bid—would be unpopular in the City.

The apparent willingness of the Liechtenstein lawyer, who is resident director of Pergamon Holding Foundation, to cooperate with Waddington means action in the UK courts would be unlikely to succeed. There is also no time to take such action before Thursday's final close of the BPCC offer, Kleinwort said.

However, Henry Ansbacher, Mr Maxwell's merchant bank, suggested yesterday that moves by the Liechtenstein lawyer—he has telexed Waddington to say he is seeking legal advice—are irrelevant to the outcome.

Ansbacher said the reference in BPCC's latest (1983) annual report to Pergamon Press and associates as being substantial shareholders was adequate.

Kleinwort said that to resort to the courts might be necessary at a later date to deter a third BPCC bid if this one is beaten off.

The current BPCC offers is the company's second in the space of 14 months. Mr Maxwell's first bid was in June 1983, but despite later raising his offer to £18.2m his takeover attempt was narrowly defeated.

Four of five of Waddington's institutional shareholders as well as a number of large private investors have pledged unconditional support for Waddington, Kleinwort claimed.

Brengreen extends Far East coverage

BY RAY MAUGHAN

Brengreen (Holdings), one of the largest groups in the commercial cleaning market, is expanding its interests in the Far East with the acquisition for the equivalent of £2.07m of **Hutchison-Boag Engineering**, a subsidiary of **Hutchison Whampoa** in Hong Kong.

The deal applies to 80 per cent of Hutchison-Boag Engineering (HESL) and the balance may be acquired by Brengreen after two years for a consideration to be agreed at the time in relation to a set earnings formula.

At the same time, Mr David Evans, the chairman of Brengreen disclosed that the group's profits for the 28 weeks to October 13 had risen from £1.16m in the comparable period of the previous year to £1.25m before tax. After tax and minority interests, profits were virtually unchanged at £659,000, earnings fell from 1.74p to 1.36p per share and the interim dividend is held at 0.7p.

Mr Evans, who has recently become chairman of Luton Town Football Club, said yesterday that "the results at first sight would appear disappointing but the continuing development of the group, both here and overseas, has taken a heavy toll of profits."

Brengreen has already taken two stakes in the Far East cleaning market through a 49 per cent interest in a Malaysian company and the acquisition of a 75 per cent holding in a larger group in Singapore.

The latest deal, which is to be funded by a vendor placing of 4.94m new Brengreen shares by Capel-Cure Myers, "ensures that Brengreen now has a strong geographic base in the Far East, where it expects to take advantage of opportunities for general cleaning and refuse handling."

Completion is conditional on the admission of the new shares to the Official List although, in the event of non-completion, Brengreen has delivered an irrevocable standby letter of credit to the vendor for HK$975,370.

In the UK market, Brengreen has set up a new joint venture to clean Debenhams' 70 department stores and the recently acquired White Cross Equipment subsidiary is to be awarded a £750,000 contract to supply and install six compactors for the GLC refuse transfer station in Sotton.

Development of the health care market is still much slower than hoped, Mr Evans says, and development costs are not yet offset by revenue. Associated results in the Middle East have "disappointed" although the first three months of the delayed Saudi National Cleaning contract have been "encouraging."

Further development costs will, in Mr Evans' view, "lead to a harvest to be gathered in future years but cannot be expected to materialise in the current year — in other words it is sometimes necessary to take one step back in order to go two forward."

BIDS IN BRIEF

Telfos Holdings reports that **Plantation and General Investments**, of which Mr K. P. Legg, a director of Telfos, is a major shareholder, now holds 3.51m shares and £232,400 or 12 per cent convertible unsecured loan stock 1991 (55.7 per cent and 26.8 per cent respectively).

* * *

Greenstar Leisure has acquired 340,000 shares and now holds 20 per cent of **MME Facilities.**

* * *

Espley-Tyas Development Group and **Michael Paul Investments** of Leeds have agreed terms under which Espley's interest in the development known as the Interchange Centre, Gateshead, can be purchased by Michael Paul before the end of this year. As part of the arrangements Espley's Construction Division has ceased to be the contractor. The agreement follows Espley's publicised intentions earlier this year to disengage itself from development activity.

Johnson counters final offer with £7m forecast

Johnson Group Cleaners has responded to the increased and final offer of 440p cash per share from **Nottingham Manufacturing** with the forecast of record profits of £7.1m for the year ending June 29 1985.

The projected return would be taxed at a rate of 31 per cent. Much of the increase stems from the U.S. operations, which are forecast to make £300,000 after interest in the first half of 1985 and £850,000 at current exchange rates for the year as a whole.

Mr John Crockatt, chairman of Johnson, tells shareholders that "we are currently well advanced in negotiations for the purchase of three businesses trading in South Carolina and Georgia." These would fit geographically with the recent Three G acquisition and are expected to "make a significant additional contribution to profits."

The chairman emphasised that recent property valuation of £42m "alone demonstrates the total inadequacy of Nottingham's £54m bid. Of this £42m, retail shops in the UK account for £37.4m. These are readily marketable and could be sold without disrupting our UK trading operations. We have been advised that no more than £8.9m of tax on capital gains should be payable if these shops were sold, and that it may well be possible to reduce this liability in certain circumstances."

As Nottingham revealed that it had acquired more Johnson shares in the market at the end of last week and at that point controlled 9.42 per cent of its equity, the defence promised a second interim dividend of not less than 15.42p per share which, with dividends already paid, would lift the distribution in respect of 1984 to 18.6p per share.

Bath holds big guns in reserve against Beazer

Bath and Portland Group, the minerals, agriculture, property and instrumentation group, yesterday fired the first formal defence shots against the £48m cash and equity bid from **C. H. Beazer (Holdings)**, but detailed profits forecasts have been held back to counter any increase in Beazer's terms when the offer reaches its first closing date at the end of this week.

Beazer's shares dropped 6p to 362p yesterday, putting the current bid at a 31p discount to Bath and Portland's closing price of 268p, up 3p.

Although Bath and Portland is keeping its powder dry, the chairman, Mr David Macdonald, tells his shareholders that the estimates for the year ended October 31 will, when finalised, "show that we will have exceeded our best expectations," and will support "a substantially increased final dividend" for that year.

"Bath and Portland," the chairman adds, "has a clear strategy and sense of direction and a determination to generate substantial growth in the future. We are in a strong financial position from which to achieve this goal."

Nimslo's $2.3m deal to get Mexico outlet

Nimslo International, the troubled 3-D camera manufacturer, is paying $2.25m (£1.87m) for a Texas-based trading company in which three Nimslo directors, including its new chairman, have interests.

Nimslo, which is quoted on the USM, as well as in the U.S., is acquiring San Antonio-based **Marparts & Services Inc**, a wholly-owned subsidiary of Seamount Industries, a Bermuda-based holding company.

Marparts' main business is organising the export of goods and services from the U.S. to Mexico.

Mr James Davidson, chairman of Nimslo, and two of the company's other directors, Mr Nicholas Dill and Senator Charles Collis, are also directors of Seamount and trustees of discretionary trusts controlling that company. Because of this, the acquisition has to be ratified by Nimslo shareholders at a special general meeting.

In a circular to shareholders, Nimslo's president, Mr John Grosso, said that the acquisition of Marparts would allow the company's Connecticut-based professional photography subsidiary to get into the Mexican market.

Marparts had pre-tax profits of $600,000 in 1983 and $554,000 in the first six months of 1984. The acquisition involves a cash payment of $1m, made on December 6, and a $1.25m loan from Seamount to Nimslo. The loan is repayable in four equal semi-annual instalments of $312,500, commencing next May, together with interest at 12.5 per cent a year.

Mr Davidson, previously deputy chairman, took over as chairman of Nimslo in September from Mr Jerry Nims.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Baker Perkins	int	2.6	Feb 11	2.4	—	5.9
N. Brown	int	3	—	2.5	—	7.5
A. Cohen	int	3.3	—	3	—	9.8
Crown House	int	2.75	Feb 15	2.5	—	6.4
Dobson Park†	int	3.31	Feb 25	3.31	5.21	5.21
Dubilier	int	1.4	—	1.1	2.4	2
Greenall Whitley‖	int	0.51	Feb 9	0.45	0.89	0.81
Greenall Whitley§		2.54†	Feb 9	2.23	4.46	4.03
Hogg Robinson	int	3.8	March 1	3.3	—	6.75
LPA Industries‡	int	1.4	—	—	2.45	—
Marling	int	0.6	—	0.52	—	1.3
Norcros	int	2.6	Feb 11	2.3	—	7.5
Norton Opax	int	1	Feb 1	1	—	3
Preedy & Sons	int	1	Feb 11	0.75	—	3.5
Property Holding	int	0.98	Jan 25	0.81*	—	2.25*
Whitecroft	int	2.3†	Feb 1	2	—	6.6

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ On ordinary shares. ‖ On "A" ordinary shares.

Exco settles deal with Laurie Milbank

By David Lascelles

Exco International is to take another step towards establishing itself in the new-style gilts market by acquiring the money broking operation of Laurie Milbank, the stockbroking firm.

Under a deal announced yesterday, Exco is to become a limited partner in Laurie Milbank. When Stock Exchange rules permit, it will buy the operation and end its partnership. The timing of the deal depends on Laurie Milbank sealing its agreement to be acquired by Chase Manhattan

The U.S. bank had said it was not interested in the money broking business. However Laurie Milbank had already decided to sell the operation for conflict of interest reasons.

Three of Laurie Milbank's 33 partners who run the money broking business will be joining Exco.

The cost of the acquisition is not being disclosed but it is understood to be in the region of £10m. The money is to be paid into a pool which Laurie Milbank is setting up to distribute the proceeds of both the Chase and Exco deals among its partners.

Exco already has a stock-broking interest in WICO Galloway & Pearson, and it recently bought into a new partnership which intends to be an inter-broker dealer in the gilts market.

Mr John Gunn, the chief executive of Exco, said yesterday that these various interests would operate independently within the group. He did not rule out the possibility that Exco would make further acquisitions or recruit more staff as appropriate to expand the company.

South African gold payouts hit

BY KENNETH MARSTON, MINING EDITOR

THE LATEST December half-yearly dividend declaration from the South African gold mining industries came upon a share-market yesterday with ears more attuned to the further weakness in the dollar price of gold which lost a further 75 cents to a 2½-year low of $326.75 per ounce.

The FT gold mines index dropped 15.2 to 532.3, but this was still above the 504.2 registered on November 2.

Such is the beneficial effect on South African gold mine revenue of the weakness in the country's rand against the strong U.S. dollar — in which gold sales are priced — that the last time the U.S. price was standing at this level the index was under 200.

The latest dividend announcement, from the **Barlow Rand** group, is of a slightly lower than expected interim of 90 cents (41p) from **Blyvooruitzicht** for the year to next June. It follows an interim of 85 cents and a final of 90 cents for 1983/84.

No dividends are being declared for this year by the group's two veteran mines, **Durban Deep** and **East Rand Proprietary Mines.**

Export restrictions weigh heavily on tin producers

TIN export restrictions imposed by the International Tin Council in its efforts to reduce surplus stocks of the metal continue to weigh heavily on the Malaysian tin producers. Many dredges are closed down but the effects of export control vary from mine to mine.

Among concentrate output figures for November from the producers in the **Malaysian Mining Corporation** (MMC) group, that of Berjuntai is little changed from the October level, but it brings the total for the first seven months of the company's financial year to 1,467 tonnes compared with 1,227 tonnes in the same period of last year.

Ayer Hitam did better last month, but the five-month total still lags at 446 tonnes against 537 tonnes a year ago while that of Tongkah Harbour for the same period comes out at 148 tonnes against 200 tonnes.

MMC itself raised output in November to bring the 10-month total to 4,089 tonnes against 4,839 tonnes. At the 11-month stage Tronoh has produced 360 tonnes against 668 tonnes while Sungei Besi's 8-month total amounts to 338 tonnes against 377 tonnes.

In the Gopeng group, the combined output of Gopeng and Mambang Di-Awan amounts to 256½ tonnes for the past two months.

The latest MMC group output figures are compared in the following table.

	Nov tonnes	Oct tonnes	Sept tonnes
Aokam	113	145	52
Ayer Hitam	111	67	73
Berjuntai	137	199	213
MMC	448	377	352
Sungei Besi	35	38	44
Tongkah Harb	29	30	24
Tronoh	40	44	41

FINANCIAL TIMES

Tuesday December 11 1984

Prudential America to raise $1bn in three tranches, Page 44

WALL STREET

Reluctance to rally encountered

WALL STREET staged a successful technical rally yesterday afternoon with the help of a recovery in the blue chips which have been unsettling the market for the past week, *writes Terry Byland in New York.*

Union Carbide closed above the day's low after the directors held a press conference on the implications of the tragedy at the Bhopal plant. IBM turned higher after falling sharply in the first half of the session. An upturn in bonds, which ended with gains of nearly half a point, also helped the blue chips. Across the broader range of the market, however, stock prices showed little change from Friday's closing levels.

The Dow industrial average ended with a net gain of 9.05 points at 1172.26, on moderate turnover of 81.8m shares. It fell nearly five points initially – distorted to some extent by renewed selling of both IBM and Union Carbide – but rose a net 13 points when the market turned higher behind the blue chips.

The bond market moved erratically after Friday's disclosure of an unexpectedly sharp fall in unemployment in November, which challenged the consensus view that the U.S. economy is slowing down sharply. Early falls at the longer end were checked after Mr Charles Partee, a governor of the Federal Reserve Board, warned against assumptions that the Fed's policies "assure" an upturn in the economy.

A strong dollar and surging imports are hurting U.S. manufacturing industry, said Mr Partee, who is regarded as a close colleague of Mr Paul Volcker, the Fed chairman.

The uncertainty over the economic outlook, and for Fed credit policies, might be tested this week by the latest data on retail sales and consumer credit, as well as by details of money supply trends.

Commodore International, pioneer of the international market for home computers, shed $1⅞ to $18⅝ after reports that at least one major Wall Street broker had removed the stock from its "buy" list and was cutting estimates for fiscal 1985 earnings.

Apple Computer fell $⅜ to $26⅞ as investors backed cautiously away from this sector of the market.

Semiconductor manufacturers weakened in the wake of Texas Instruments, which fell a further $4⅜ to $114¼ after Friday's disclosure of plans to lay off 2,000 workers.

Among the bid issues the decision by Mr T. Boone Pickens to delay his $60 a share tender for Phillips Petroleum sent it down $⅝ to $52⅞. Speculation in ITT died away as the market awaited the next move from Mr Irwin Jacobs, and the stock dipped $1 to $31.

Other active issues included Phibro-Salomon, the investment and brokerage house, down $½ to $29⅝, with major blocks of stock traded. The ADRs of British Telecom, at $11½ with a gain of $½, were back to their best levels.

A fall in the federal funds rate to 8 11/16 per cent took a shade off short-term rates, putting six-month Treasury bills at 8.58 per cent, a dip of two basis points. The bond market managed gains of less than a quarter of a point by early afternoon with both corporate and municipal bonds following the sluggish lead of the federal issues.

LONDON

Telecom retains lead role

EQUITY MARKETS in London started the last trading account before Christmas in the spirit traditionally associated with the festive season. Leading industrials immediately resumed Friday's strong tone. Led by British Telecom the FT Ordinary share index rose 7.3 more to a record 930.3.

A combination of domestic institutional buying and overseas demand swept BT higher to the best yet of 97½p amid strong evidence of stock shortages, before a close of 95½p, up 3p. American and Middle East investors were active buyers.

Other blue chips and many secondary issues benefited from the committal of returning BT cash. Stores maintained their current prominence following announcement of last month's record retail sales, while sterling dollar influences ensured U.S. favourites of a continued following.

Government securities were the only dull area. Listless conditions again prevailed awaiting December money supply figures due today. The close showed narrow changes either way.

Chief price changes, Page 32; Details, Page 37; Share information service Pages 38–39

AUSTRALIA

MINING ISSUES came under light selling pressure in Sydney amid the downward trends in world metal and oil prices, and weakness extended to all sectors in light dealings.

CRA shed 8 cents to A$4.90, Santos 10 cents to A$5.70 and Poseidon the same amount to A$3.05.

Banks managed a mixed outcome, with ANZ off 4 cents at A$5.02 but Westpac 2 cents better at A$3.84. Property group Hooker dipped 5 cents to A$1.75, correcting some of its recent gains amid takeover speculation. Herald and Weekly Times added 5 cents to A$3.35 and APM at A$2.10 lost 8 cents.

HONG KONG

EARLY GAINS were quick to be surrendered as profit-takers moved in to Hong Kong amid the sentiment that the rally of recent weeks might have been overdone. The Hang Seng index fell 7.11 to 1,115.01, but the level of activity remained no more than moderate.

The property sector, which had led the upturn, showed setbacks of 10 cents for Cheung Kong at HK$8.75 and 3 cents in HK Land at HK$3.57. Hutchison Whampoa, which plans to release details of a sizeable property development, strengthened 10 cents to HK$18.20.

SINGAPORE

BARGAIN-HUNTING alternated with profit-taking in cautious Singapore dealings, providing gains mainly to blue chips while declines held the majority across the broader market.

Leading the actives list were Singapore Paper, unchanged at S$1.06, Sime Darby, 2 cents ahead at S$1.91, and General Lumber, which jumped 18 cents to S$2.07. Plantation issue generally returned to favour, with Consolidated Plantations 3 cents better at S$2.71 and Sime Darby's rise identified by one analyst as prompted by its interests in the sector.

Banks were weighed down by the Chop Hoo Thye collapse. DBS and OCBC each fell 5 cents to a respective S$6.10 and S$9.10.

SOUTH AFRICA

THE BULLION retreat weighed on Johannesburg golds as selling spread from the speculative to the quality producers. Political considerations in the wake of a shift in U.S. attitudes also made themselves felt.

Randfontein shed R7 to R196.50 and Vaal Reefs R3.50 to R172.50. Of the mining houses Anglo American lost 35 cents at R23.65 and Gold Fields of SA 50 cents to R28.

Industrials were neglected, but Nedbank fell 30 cents to R12.70.

CANADA

GOLDS dominated Toronto weakness, while transport issues were also among those showing marked setbacks. The oil and gas sector generally retained its composure.

British Telecom remained active, gaining an early C$⅛ to C$15⅛.

Industrials in Montreal held up better than the banking side.

TOKYO

High prices dampen enthusiasm

MOUNTING worries about higher prices in Tokyo yesterday dampened investor enthusiasm and triggered a substantial retreat. Leading pharmaceuticals and financial issues took the brunt of the pressure, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average shed 150.06 to 11,318.87, an extension of Friday's setback, in thin trading of 254m shares, compared with 472m. Declines outpaced advances 434 to 305, with 142 issues unchanged.

The index gained 414.48 in a one-week rally that ended last Tuesday, drawing speculative purchases in anticipation of continued gains towards the year-end. This frantic pace caused some concern among investors, and the bearish mood intensified with the fall in the Dow Jones industrial average to below 1,170 on Friday.

Yesterday's plunge was mainly due to small-lot selling, however.

Pharmaceuticals, which had remained firm reflecting the strong popularity of biotechnology-related issues, dropped sharply.

Mochida Pharmaceutical continued to slide, with its asked price suffering a maximum allowable daily loss of Y500 to Y9,370 for the seventh consecutive session. Dainippon Pharmaceutical and Kakon Pharmaceutical registered limit declines of Y500 to Y4,480 and Y2,700 respectively. Yamanouchi Pharmaceutical fell Y170 to Y1,730 and Tanaha Seiyaku Y60 to Y1,070.

City banks, Japan's big commercial banks, were also on the downtrend. The banks were added to the list of issues eligible for margin transactions yesterday. Fuji Bank fell Y100 to Y1,240, Sumitomo Bank Y90 to Y1,630 and Sanwa Bank Y40 to Y1,190.

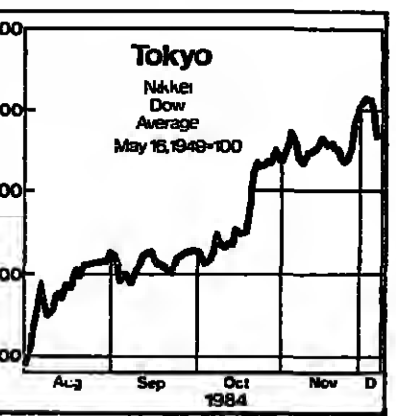
Incentive-backed issues weakened broadly on profit-taking. Asahi Chemical dipped Y8 to Y615, Central Glass Y25 to Y415 and Nisshin Oil Mills Y22 to Y595.

Blue chips remained out of favour. Foreign sell orders with the four biggest securities companies amounted to 19m shares in early trading against buy orders for 13.5m.

Pacific Metals was the most active stock with 10.88m shares traded, rising Y27 to Y642. Iino Kaiun, also heavily traded, climbed Y39 to Y459.

Mirroring the weakness on Wall Street ahead of the weekend, the bond market eased in extremely thin trading. Main institutional investors sat on the sidelines.

Some securities companies sold their holdings in low-priced small lots to city and trust banks. The yield on the barometer 7.3 per cent government bond due in December 1993 rose to 6.595 per cent from 8.585 per cent.



EUROPE

The Swiss demand is sustained

SEASONAL DEMAND from domestic institutions and foreign buyers yesterday extended the progress Swiss bourses achieved last week while most other European centres, conscious of Wall Street's decline on Friday, opened the week with a subdued performance.

Lively trading in Zurich became more selective than the previous four sessions, however, and traces of profit-taking became apparent.

The Swiss Bank Corporation general index hit a new peak of 408.8, a rise of 0.7 points, while new highs were scored by both the foods and banking sectors.

An actively traded Nestlé lost SwFr 5 of its registered share price to SwFr 3,285 while the bearer form firmed SwFr 10 to SwFr 5,405. Jacobs Suchard registered rose SwFr 20 to SwFr 1,400 after its favourable profits forecast for the year, although its bearer shares managed a SwFr 25 advance to SwFr 6,225.

Union Bank improved SwFr 10 to SwFr 3,800 while Swiss Bank was unchanged at SwFr 364.

Among the most actives, Adia gained SwFr 25 to SwFr 2,110, Oerlikon-Bührle firmed SwFr 5 to SwFr 1,335 and Brown Boveri picked up SwFr 5 to SwFr 1,400 in late trading although Pargesa fell SwFr 10 to SwFr 1,230.

The insurance sector was the only weak spot in the session although Swiss Re gained SwFr 150 to SwFr 8,150 and Winterthur hit a high for the year with a SwFr 15 advance to SwFr 3,335 ahead of its plan to buy the Madrid headquarters of the troubled Spanish chemical group ERT.

Bonds were barely changed.

Corporate news featured among an otherwise dull Frankfurt, with the Commerzbank index falling 5.5 to 1,087.

Amid Allianz's long-awaited restructuring and rights issue plans, the insurer rose DM 5 to DM 1,040, while a 10 per cent fall in partial operating profit prompted Bayerische Vereinsbank to lead a broadly weaker sector downwards, with a DM 4 loss at DM 326.

Elsewhere, the initial response to Veba's DM 16.8bn five-year investment programme was a 30 pfg decline to DM 168.90.

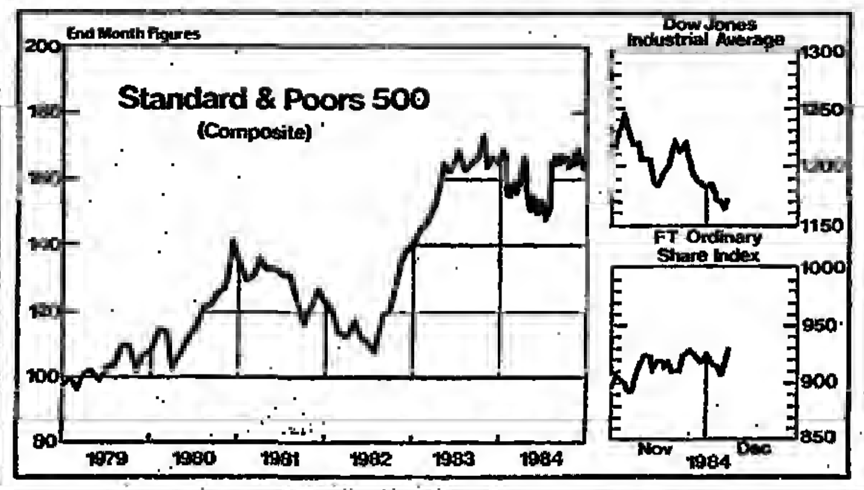
Unease over the Christmas sales performance of the stores sector saw a distinct lack of goodwill, and Karstadt lost DM 4.50 to DM 246 while Horten retreated DM 3 to DM 180.

Siemens was the most vulnerable in electrical as it turned DM 3.50 down to DM 450.50 while Porsche's DM 18 reversal to DM 975 was uncommonly severe among leading car makers.

The mixed finish in U.S. credit markets on Friday and the closing of year-end accounts brought bonds as much as 80 basis points lower in relatively quiet trading. The Bundesbank was almost the only buyer, with purchases of DM 69.5m against Friday's DM 57.2m.

Continued on Page 33

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Dec 10	Previous	Year ago
DJ Industrials	1,172.26	1,163.21	1,260.06
DJ Transport	525.58	522.7	604.91
DJ Utilities	144.54	144.65	133.91
S&P Composite	162.83	162.26	165.08
LONDON			
FT Ord	930.0	923.0	753.7
FT-SE 100	1,197.9	1,190.1	996.0
FT-A All-share	572.94	569.86	465.85
FT-A 500	628.79	625.33	495.2
FT Gold mines	532.3	547.5	573.1
FT-A Long gilt	10.09	10.09	10.30
TOKYO			
Nikkei-Dow	11,318.87	11,468.3	9,448.9
Tokyo SE	874.90	884.27	698.74
AUSTRALIA			
All Ord.	724.2	726.1	735.8
Metals & Mins.	418.6	422.9	528.3
AUSTRIA			
Credit Aktien	58.89	57.74	54.2
BELGIUM			
Belgian SE	159.32	159.5	130.94
CANADA			
Toronto			
Metals & Minls	1,856.5	1,853.5	2,475.0
Composite	2,347.09	2,352.1	2,531.9
Montreal			
Portfolio	118.59	118.61	124.67
DENMARK			
Copenhagen SE	167.31	166.42	193.79
FRANCE			
CAC Gen	n/a	181.7	150.6
Ind. Tendance	119.5	120.7	96.7
WEST GERMANY			
FAZ-Aktien	372.82	375.44	343.24
Commerzbank	1,087.00	1,092.5	1,014.3
HONG KONG			
Hang Seng	1,115.01	1,122.12	858.39
ITALY			
Banca Comm.	214.66	214.79	186.46
NETHERLANDS			
ANP-CBS Gen	178.1	178.6	147.9
ANP-CBS Ind	140.8	141.4	121.2
NORWAY			
Oslo SE	281.63	280.49	209.93
SINGAPORE			
Straits Times	821.63	818.43	968.99
SOUTH AFRICA			
Golds	n/a	1,024.0	841.7
Industrials	n/a	959.9	922.3
SPAIN			
Madrid SE	136.99	136.13	122.5
SWEDEN			
J & P	1,388.83	1,376.89	1,520.99
SWITZERLAND			
Swiss Bank Ind	386.0	385.7	371.0
WORLD	Dec 7	Prev	Year ago
Capital Int'l	183.4	183.7	181.6

GOLD (per ounce)

	Dec 10	Prev
London	$326.75	$327.50
Zurich	$326.75	$325.25
Paris (fixing)	$326.48	$330.64
Luxembourg	$326.40	$330.25
New York (Dec)	$325.40	$326.80

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Dec 10	Previous	STERLING Dec 10	Previous
$	–	–	1.203	1.2065
DM	3.092	3.0625	3.72	3.69
Yen	246.75	246.55	297.0	297.5
FFr	9.4725	9.3825	11.39	11.3
SwFr	2.5525	2.5245	3.07	3.045
Guilder	3.491	3.4565	4.195	4.17
Lira	1,904.0	1,893.0	2,284.0	2,285
BFr	62.15	61.75	74.7	74.55
C$	1.32225	1.32225	1.59	1.59445

INTEREST RATES

	Dec 10	Prev
Euro-currencies (3-month offered rate)		
£	9 7/16	9⅝
SwFr	5⅛	5 5/16
DM	5¼	5 5/16
FFr	10 15/16	11 1/16
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅞	9¾
6-month U.S.$	9 15/16	9¾
U.S. Fed Funds	8⅝	8¾
U.S. 3-month CDs	9.05	9.05
U.S. 3-month T-bills	8.35	8.35

U.S. BONDS

Treasury	Dec 10* Price	Yield	Prev Price	Yield
10% 1986	99 27/32	10.46	99 25/32	10.48
12¾ 1991	103	11.59	102 25/32	11.62
11⅝ 1994	99 11/32	11.66	99 7/32	11.68
11¾ 2014	100 7/32	11.69	100 1/32	11.68
Corporate	**Dec 10***		**Prev**	
AT&T	Price	Yield	Price	Yield
10⅜ June 1990	95⅝	12.50	95¾	12.45
3⅞ July 1990	73⅝	10.20	73⅝	10.15
8¾ May 2000	76⅞	12.10	77⅛	12.05
Xerox				
10⅞ March 1993	93¾	11.90	93⅞	11.85
Diamond Shamrock				
10⅞ May 1993	92¼	12.10	92½	12.05
Federated Dept Stores				
10⅞ May 2013	89⅝	11.90	90	11.85
Abbot Lab				
11.80 Feb 2013	96⅞	12.20	97⅛	12.15
Alcoa				
12⅛ Dec 2012	99	12.40	99¼	12.35

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Dec	71-13	71-09	70-29	70-30
U.S. Treasury Bills (IMM) $1m points of 100%				
Dec	91.63	91.64	91.57	91.60
Certificates of Deposit (IMM) $1m points of 100%				
Dec	90.98	90.95	90.89	90.92
LONDON				
Three-month Eurodollar $1m points of 100%				
Dec	90.58	90.60	90.57	90.65
20-year Notional Gilt £50,000 32nds of 100%				
Dec	109-24	109-24	109-19	109-23

COMMODITIES

(London)	Dec 10	Prev
Silver (spot fixing)	568.95p	579.45p
Copper (cash)	£1,102.50	£1,097.50
Coffee (Jan)	£2,195.00	£2,279.00
Oil (spot Arabian Light)	$27.70	$27.825

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	13¼	AAR	.48	2.7	16	91	18¼	17⅞	18	
30½	9¼	AGS			8	72	10¼	10⅜	10½	+ ⅛
22	13½	AMCA	1	7.3		12	14	13¾	13¾	− ⅛
17⅞	13⅛	AMF	.50	3.4	63	191	15	14⅝	14⅞	
41¼	24¾	AMR			5	2842	34⅛	33¾	34	+ ⅛
20⅝	16¼	AMR	pf2.18	12.		14	18¼	18¼	18¼	− ⅛
41½	27½	AMR	pf2.13	6.1		256	34⅞	34½	34⅝	+ ⅛

Continued on Page 31

هكذا من الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 30

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17	12	UWR	s 1 28	6 3	9	16	15¾	15½	15½	−⅛
36⅞	22	Unitrde	.20	.8	16	x213	24⅝	23⅝	23⅝	−⅜
24	14⅞	Univar	.68b	4 1	7	4	16⅝	16⅝	16⅝	+⅛
27⅜	10⅞	UnvFd	1 04	4 8	13	10	23	22¼	22¼	
22	15¼	ULeaf	s .92	4 4	6	204	21	20¾	21	
43¼	28⅞	Unocal	1	2 5	8	2391	39⅝	39⅛	39⅛	−⅜
71⅛	45	Upjohn	2 56	4 0	11	190	64¼	63⅝	64¼	+¼
35⅛	23⅞	USLIFE	1 04	3 1	6	189	33⅞	33½	33½	−⅛
33⅜	25	USLF	pf2 25	7 2		34	31⅛	30¾	31⅛	+¼
9⅞	8⅛	UslfeFd	1 04e	11		32	9⅝	9½	9⅝	+⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E-price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Dec. 10	Price Sch's	+ or −
Creditanstalt	228	+4
Goesser	330	
Interunfall	395	+2
Laenderbank	226	+2
Perlmooser	315	+1
Steyr-Daimler	164	...
Veitscher Mag	242	−2

BELGIUM/LUXEMBOURG

Dec. 10	Price Frs.	+ or −
B.B.L.	1,850	−5
Banq. Int. A. Lux	5,500	
Bekaert B	4,390	−10
Ciment CBR	2,500	−50
Cockerill	277	−3
Delhaize	5,690	−10
EBES	2,885	−20
Electrobel	6,610	−10
Fabrique Nat	2,095	−5
GB Inno BM	3,175	−55
GBL (Brux)	2,140	+15
Gevaert	3,600	
Hoboken	6,100	−40
Intercom	2,190	−5
Kredietbank	7,500	−90
Pan Hldgs	9,800	−100
Petrofina	7,100	−20
Royale Belge	10,500	
Soc. Gen. Banq	3,380	
Soc. Gen. Belge	1,845	−15
Sofina	7,690	+90
Solvay	4,200	−35
Stanwick Intl.	1,430	
Traction el.	3,945	−35
UCB	4,990	−80
Wagon Lits	2,500	−5

DENMARK

Dec. 10	Price Kr.	+ or −
Andelsbanken	279	−9
Baltic Skand	655	...
CopHandelsbank	280	+5
D. Sukkerfab	505	...
Danske Bank	280	+5
De Danske Luft	1,055	+55
East Asiatic	162	+2
Forenede Brygg.	755	
Forenede Damp.	100	−1
GNT Hldg	380	−5
I.S.S.B.	399	
Jyske Bank	505	+5
Novo Ind.	1,570	..
Privatbanken	246	−3
Provinsbanken	348	−3
Smidth (F.)	226	−1
Sophus Berend	905	+5
Superfos	423	−3

FRANCE

Dec. 10	Price Frs.	+ or −
Emprunt 4½% 1973	1,645	−15
Emprunt 7% 1973	8,719	−136
Accor	239.2	−1.8
Air Liquide	559	−1
BIC	495	−13
Bongrain	1,785	−5
Bouygues	680	−7
BSN Gervais	2,484	−11
CIT Alcatel	1,270	−31
Carrefour	1,716	−55
Club Mediter'n	1,036	−9
Cie Bancaire	570	−15
Cofimeg	240.5	+1.5
Damart	2,310	−2
Darty	1,160	−15
Dumez S.A.	620	−10
Eaux (Cie Gen)	635	−5
Elf-Aquitaine	225	.
Essilor	2,855	+5
Gen. Occidentale	643	−6
Imetal	79.7	−0.2
Lafarge Coppee	364.3	−1.7
L'Oreal	2,304	−6
Legrand	1,881	−9
Maisons Phenix	195	+1
Matra S.A.	1,732	+2
Michelin B	771	−5
Midi (Cie)	1,999	−7
Moet-Hennessy	1,820	−17
Moulinex	92	−1
Nord Est	68.5	−1.5
Pernod Ricard	745	−5
Perrier	497	−3
Petroles Fra.	246	−1
Peugeot S.A.	235.1	+9.1
Printemp.Aus.	185.2	−6.8
Radiotech	219.5	−18.5
Redoute	1,195	−10
Roussel-Uclaf	1,601	−24
Sefimeg	287	.
Skis Rossignol	1,735	+5
Telemech Elect.	2,150	...
Thomson CSF	375	−7
Valeo	259.1	+0.6

GERMANY

Dec. 10	Price Dm.	+ or −
AEG-Telef.	102.4	−0.1
Allianz Vers.	1,040	−5
BASF	176.9	+0.7
Bayer	188.3	−1
Bayer-Hypo	519	−3
Bayer-Verein	326	−4
BHF-Bank	212	−3
BMW	372	−0.5
Brown Boveri	201	−0.8
Commerzbank	170	−2.2
Cont'l. Gummi	113	−1.9
Daimler-Benz	674.5	−3
Degussa	350	−3
D'sche Babcock	146.5	−3.5
Deutsche Bank	380.5	
Dresdner Bank	188	−1
GHH	153.5	+1.5
Hochtief	474	+3
Hoechst	185.5	−0.5
Hoesch Werke	98.7	+0.4
Holzmann (P)	377	−7
Horten	180	−3
Hussel	287.5	−1.5
Karstadt	246	−4.5
Kaufhof	230.2	−3.6
KHD	254	−1.5
Kloeckner	88.5	−0.3
Linde	385	+1
Lufthansa	178.5	−1
MAN	145	−0.8
Mannesmann	143.5	..
Mercedes Hld.	514	−4
Metallgesell	218	−8
Muench Rueck	1132	−28
Nixdorf	616.8	−0.2
Porsche	975	−18
Preussag	251	−4
Rhein West Elect	163.8	−0.7
Rosenthal	248	...
Schering	422.1	−2.9
Siemens	450.5	−3.5
Thyssen	78	−1.2
Varta	172	−2
Veba	168.9	−0.3
V.E.W.	121.5	−1
Verein-West.	294	−1
Volkswagen	197.5	−1.2

ITALY

Dec. 10	Price Lira	+ or −
Banca Com'le.	14,800	+700
Bastogi-IRBS	140.5	+15.5
Centrale	2,120	+20
Credito Varesino	3,511	−137
Fiat	1,919	+7
Finsider	45.75	..
Generali Assicur.	30,800	−150
Invest	2,950	−10
Italcementi	64,010	−700
La Rinascente	505	−2
Montedison	1,288	+8
Olivetti	6,950	−10
Pirelli Co.	3,330	+5
Pirelli Spa	1,771	+7
Snia BPD	2,041	−7
Toro Assic.	11,775	+126
do. Pref	8,695	−105

NETHERLANDS

Dec. 10	Price Fls	+ or −
AGF Holding	188.5	+1
AEGON	138.3	−0.5
Ahold	178.8	−0.7
AKZO	93.2	−1.9
ABN	340.5	−2
AMEV	199.1	−0.1
AMRO	83.2	+0.2
Bredero Cert.	156.5	−2.5
Bos Kalis Westm.	16	−0.5
Buehrmann-Tet.	88.2	−0.2
Calland Hldgs.	30.5	−0.4
Dordtsche Pet'm	156.1	−0.4
Elsevier-NDU	113.5	−1
Fokker	79	−0.2
Gist Brocades	161.5	−2
Heineken	140.5	−2.1
Hoogovens	81.8	−0.6
Int Mueller	35.3	−0.6
KLM	42xc	−0.7
Naarden	46	−0.5
Nat Ned Cert	243	...
Ned Mid Bank	141.5	−0.5
Nedlloyd	160	−2
Oce Grinten	275.2	−0.2
Ommeren (Van)	27	−0.2
Pakhoed	64.7	−1.5
Philips	62.6	−0.8
Robeco	67.3	..
Rodamco	135.9	..
Rolinco	61.2	−0.1
Rorento	43.1	+0.1
Royal Dutch	172.3	−0.4
Unilever	303.8	−1.2
VMF Stork	135	−0.5
VNU	200.7	−1.8
West Utr Bank	117	−5

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Dec. 10	Price Kroner	+ or −
Bergens Bank	156	−3
Borregaard	302.5	−1.5
Christiania Bank	163.5	−1
DenNorske Cred	155	...
Elkem	117.5	+0.5
Kvaerner	157	+1
Norsk Data	871	−2
Norsk Hydro.	187xa	−0.5
Storebrand	208	+4.5

SPAIN

Dec. 7	Price Pta's	+ or −
Bco Bilbao	308	...
Bco Central	307	...
Bco Exterior	200	...
Bco Hispano	157	−13
Bco Popular	344	−6
Bco Santander	318	−1
Dragados	160	+6
Hidrola	73.2	+4
Iberduero	77	
Petroleos	151.5	+5.5
Telefonica	83.5	+2.3

SWEDEN

Dec. 10	Price Kronor	+ or −
ACA	365	+6
Alfa-Laval	198	−5
ASEA (Free)	338	−2
Astra (Free)	335	+6
Atlas Copco	99.5	+1.5
Cardo (Free)	241	+2
Cellulosa	128	+3
Electrolux B	244	+1
Ericsson	260	−1
Esselte	275	
Mo Och Domsjo	268	+6
Pharmacia	192	+2
Saab Scania Free	450	.....
Sandvik	345	
Skandia	313	+1
Skan Enskilda	64.5	
SKF	174	+1
St Kopparbergs	167	+7
Sven Handlesbn	189	−1
Swedish Match	258	−1
Volvo B (Free)	226	.

SWITZERLAND

Dec. 10	Price Frs.	+ or −
Alusuisse	743	−7
Bank Leu	3,850	+10
Brown Boveri	1,400	+5
Ciba Geigy	2,515	−5
do. (Part Certs)	2,030	..
Credit Suisse	2,355	+10
Elektrowatt	2,650	+60
Fischer (Geo.)	620	+1
Hoff RochePtCts	88,250	−1550
Hoff-Roche 1/10	8,800	−50
Jacobs Suchard	6,225	−25
Jelmoli	1,945	+15
Landis & Gyr	1,550	+20
Nestle	6,405	+10
Oer-Buehrle	1,335	+5
Pirelli	257	−1
Sandoz (Br)	7,150	−75
Sandoz (PtCts)	1,147	−3
Schindler (PtCts)	640	..
Sika	1,055	−5
Surveillance	3,695	−5
Swissair	1,030	+5
Swiss Bank	364	..
Swiss Reinsce	8,150	+150
Swiss Volksbk	1,480	−5
Union Bank	3,800	+10
Winterthur	3,335	+15
Zurich Ins	18,000	...

AUSTRALIA

Dec. 10	Price Aust $	+ or −
ANZ Group	5.02	−0.04
Alliance Oil Dev.	1.05	.....
Ampol Pet.	1.75	.....
Ashton	0.82	.....
Aust Cons Ind.	1.76	−0.01
Aust. Guarantee	2.86	.....
Aust. Nat. Inds	2.35	.....
Aust. Paper	2.10	−0.01
Bell Group	6.6	.....
Bell Res.	4.4	−0.06
Bond Corp Hldgs	1.15	−0.02
Boral	3.16	−0.04
Bougainville	1.62	−0.03
Brambles Inds.	3.3	−0.1
Bridge Oil	3.4	+0.03
B.H. Prop	5.04	−0.02
CRA	4.9	−0.08
CSR	2.81	.....
Carlton Utd	4.30	.....
Castlemaine Tys.	4.35	.....
Coles (G.J.)	3.65	−0.06
Comalco "A"	2.12	.....
Consolidated Pet	0.57	.....
Costain Aust	1.4	.....
Dunlop Aust.	1.66	.....
Elders IXL	3.25xc	+0.15
Energ. Res.	1.45	.....

AUSTRALIA (continued)

Dec. 10	Price Aust. $	+ or −
Gen Prop Trust	2.15	−0.04
Hardie (James)	2.99	−0.09
Hartogen Energy	2.45	
Herald W'yTimes	3.35	−0.05
ICI Aust.	1.97	−0.02
Jimberlana F.P.	0.33	−0.05
Kia Ora Gold	0.12	..
Lend Lease	5.16	−0.02
MIM	2.4	−0.06
Mayne Nickless	3	−0.02
Myer Emporium	1.85	−0.01
Nat. Aust. Bank	3.35m	..
News	9.3	..
Nicholas Kiwi	5.12	−0.04
North Bkn Hill	2.05	
Oakbridge	0.63	−0.02
Pancont'l	1.1	+0.03
Pioneer Conc.	1.52	−0.02
Poseidon	3.05	−0.1
Queensland Coal	1.12	−0.01
Reckitt & Coln.	3.05	−0.01
Repco	1.12	−0.02
Santos	5.7	−0.1
Smith (Howard)	3.4	
Thos. Nationwide	1.7	−0.02
Tooth	5.8	
Vamgas	3.35	−0.05
Western Mining	2.92	+0.02
Westpac Bank	3.84	+0.02
Woodside Petrol.	1.03	−0.01
Woolworths	2.6	−0.04
Wormald Intl	2.93	−0.02

HONG KONG

Dec. 10	Price H.K.$	+ or −
Bank East Asia	22.5	−0.5
Cheung Kong	8.75	−0.1
China Light	11.7xa	+0.1
Evergo	1.54	−0.02
Hang Seng Bank	41.25	−0.25
HK Electric	6.25	−0.1
HK Kowloon Wh.	4.85	−0.05
HK Land	3.75	−0.03
HK Shanghai Bk.	7.4	...
HK Telephone	48.5	...
Hutchison Wpa.	16.2	−0.1
Jardine Math.	6.25	−0.15
New World Dev.	4.4	−0.05
Orient O'seas	2.8	
Oseas Trust Bk.	2.45	−0.02
SHK Props.	7.45	..
Shell Elect.	1.72	−0.02
Swire Pac A.	20.4	−0.1
TV-B	4.7	−0.2
Wheel'k Mard A.	3.82	+0.02
Wheel'k M'time	1.15	−0.04
World Int. Hldgs.	1.51	−0.02

JAPAN

Dec. 10	Price Yen	+ or −
Ajinomoto	1,100	−10
Alps Electric	1,940	−20
Amada	1,120	−20
Asahi Chem.	615	−8
Asahi Glass	866	+4
Bridgestone	838	−5
Canon	1,510	−10
Casio Comp.	1,800	..
Chugai Pharm.	1,070	..
Citizen	586	−7
Daiei	830	+3
Dai Nippon Ptg	1,000	..
Daiwa House	566	−4
Ebara	355	−5
Eisai	1,350	..
Fanuc	10,050	−350
Fuji Bank	1,240	−100
Fuji Film	1,520	−10
Fujisawa	910	−19
Fujitsu	1,340	−10
Green Cross	1,550	−40
Hasegawa	359	+2
Heiwa Real Est	659	−8
Hitachi	839	−3
Hitachi Credit	1,050	−20
Honda	1,150	−30
House Food	701	−14
Hoya	2,240	−40
Itoh (C)	293	...
Ito Yokado	9,550	−30
Iwatsu	1,360	+30
JACCS	325	−12
JAL	5,200	−50
Jusco	746	+1
Kajima	272	−3
Kao Soap	785	−5
Kashiyama	618	+12
Kirin	565	−10
Kokuyo	915	−12
Komatsu	429	...
Konishiroku	581	+8
Kubota	321	..
Kumagai	455	+7
Kyoto Ceramic	6,600	−166
Maeda Const	476	+6
Makino Milling	1,20[illegible]	..
Makita	1,00[illegible]	..
Marubeni	300	.
Marudai	550	−3
Marui	1,070	+10
MEI	1,350	−10
M'ta Elec Works	815	+5
M'bishi Bank	1,290	−10
M'bishi	512	−1
M'bishi Elec.	400	−2
M'bishi Estate	515	−10

JAPAN (continued)

Dec. 10	Price Yen	+ or −
MHI	241	−2
Mitsui Co	335	−1
Mitsui Estate	682	−4
Mitsukoshi	347	−2
NGK Insulators	935	−25
Nihon Cement	208	
Nippon Denso	1,380	−20
Nippon Elect	1,700	−10
Nippon Express	343	−4
Nippon Gakki	1,470	−30
Nippon Kokan	139	−1
Nippon Oil	889	−6
Nippon Seiko	668	
Nippon Shimpan	549	−5
Nippon Steel	148	−1
Nippon Suisan	335	−3
NTV	12,500	
Nippon Yusen	243	−2
Nissan Motor	600	
Nisshin Flour	495	−15
Nisshin Steel	168	−1
Nomura	865	−18
Olympus	1,100	−10
Orient Leasing	3,350	−180
Pioneer	2,590	−50
Renown	645	−5
Ricoh	955	−23
Sankyo	860	−20
Sanyo Elect	446	−13
Sapporo	394	−1
Sekisui Prefab	570	
Seven-Eleven	9,000	
Sharp	1,040	−20
Shimadzu	815	−9
Shionogi	671	−8
Shiseido	1,160	−10
Sony	3,480	−50
Stanley	864	−16
S'tomo Bank	1,630	−90
S'tomo Elect	953	−2
S'tomo Marine	842	−13
S'tomo Metal	148	−2
Taihei Dengyo	472	
Taisei Corp	204	−2
Taisho Pharm.	928	−3
Takeda	740	
TDK	4,750	−50
Teijin	418	−14
Teikoku	662	−6
Tokyo Marine	698	−17
TBS	809	−6
Tokyo Elect Pwr	1,380	−60
Tokyo Gas	161	−2
Tokyo Sanyo	871	
Tokyo Style	895	−1
Tokyu Corp.	290	−5
Toppan Print	878	−12
Toray	417	−2
Toshiba Elect.	420	−7
TOTO	637	−8
Toyo Seikan	820	−11
Toyota Motor	1,220	
Victor	1,630	−10
Wacoal	730	+5
Yamaha	881	+21
Yamanouchi	1,730	−170
Yamazaki	724	−6
Yasuda Fire	385	−6
Yokogawa Bdge.	435	−10

SINGAPORE

Dec. 10	Price $	+ or −
Boustead Hldgs.	1.87	−0.01
Cold Storage	2.66	−0.01
DBS	6.10xa	−0.05
Genting	4.98	+0.02
Haw Par. Bros.	2.09	−0.05
Hong Leong Fin.	3.08	−0.02
Inchcape Bhd.	2.46	+0.02
Keppel Shipyard	1.69	
Malay Banking	6.85	
Malay Utd. Ind.	2.47	−0.02
Multi Purpose	0.99	
OCBC	8.10	−0.05
OUB	4.15	−0.04
Public Bank	1.78	+0.01
Sime Darby	1.91	+0.02
Straits Trdg.	4.78	−0.02
Tat Lee Bk.	2.93	
UOB	4.42	−0.05

SOUTH AFRICA

Dec. 10	Price Rand	+ or −
Abercom	1.3	..
AE&CI	8.0	.....
Anglo Am Coal	41.5	..
Anglo Am Corp	28.65	+0.1
Anglo Am Gold	166	...
Barclays Bank	17.5	..
Barlow Rand	10.9	−0.3
Buffels	76.75	−1.25
CNA Gallo	2.7	..
Currie Finance	4.4	
De Beers	8.15	−0.05
Driefontein	50.25	−1.25
FS Geduld	52	−0.5
Gold Fields SA	28	..
Highveld Steel	3.75	−0.05
Nedbank	12.7	−0.3
OK Bazaars	15.5	..
Protea Hldgs	18	..
Rembrandt	31.25	..
Rennies	14.25	..
Rust Plat	15.1	−0.4
Sage Hldgs	7.4	..
SA Brews	7.0	..
Smith (CG)	23	..
Tongaat Hulett	7.8	..
Unisec	5.1	..

OVER-THE-COUNTER *Nasdaq national market, closing prices*

[illegible]

LONDON

Chief price changes (In pence unless otherwise indicated)

RISES

Baker Perkins	174	+12
Boots	198	+8
Burgess Products	96	+15
CPS Computer	158	+10
Charter Cons.	182	+8
Debenhams	216	+6
Dixons Group	485	+34
Dubilier	195	+23
Excalibur Jewel	11½	+3
Falcon Res.	195	+25
Great W. Res.	265	+20
Int. Petroleum	134	+24
Ladbroke	251	+10
Mersey Docks	40	+4
Metal Box	368	+14
Midland Bank	370	+7
Pilkington	320	+10
Roy Bk. Scotland	230xd	+7
Samuelson	575	+45
STC	272	+8
Thermal Sc	245xd	+12
Towles A N/V	52	+10

FALLS

Caledn. Offshore	215	−10
Hartebeest	455	−22
Norcros	185	−17
Oliver Prosp.	175	−5
Poseidon	215	−8
Randfontein	£88½	−£4½
Rustenburg Plat.	686	−34
Woodhead (J.)	29	−4

Continued on Page 34

NEW YORK STOCK EXCHANGE CLOSING PRICES

Continued from Page 31

[illegible]

CANADA

TORONTO
Closing prices December 10

[illegible]

MONTREAL
Closing prices December 10

[illegible]

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 31

[illegible]

WORLD STOCK MARKETS

EUROPE

Continued from Page 29

Amsterdam turned weaker in the wake of Friday's New York close, and conflicting forecasts over U.S. economic prospects pushed investors to the sidelines. The ANP-CBS general index slipped 0.5 to 178.1. Although volume was near the lowest level of the year.

Internationals saw Unilever slip Fl 1.20 to Fl 302.8 and Royal Dutch 40 cents to Fl 172.3. Westland Utrecht mortgage bank led the financial sector down with a Fl 5 fall to Fl 117 as ABN closed Fl 2 cheaper at Fl 340.50. AmRo moved against the trend with a 20-cent advance to Fl 63.20.

Others to fare well were Boskalis, up 50 cents to Fl 18, and Rorento, 10 cents firmer at Fl 43.10.

Bonds were largely inanimate although the key 7½ per cent state issue eased 10 basis points to 99.7 per cent.

Electricals were the weakest spot in **Paris**, with Radiotechnique falling FFr 18.50 to FFr 219.50.

Selective buying in foods trimmed Moët-Hennessy FFr 17 back to FFr 1,820 although Pernod gained FFr 5 to FFr 745.

Elf held steady at FFr 225 ahead of its plan to increase from 25 per cent to 33.3 per cent its holding in the troubled oil services group Technip.

Lafarge Coppée shed FFr 1.70 to FFr 364.30 prior to details of its sortie into the high-technology sector of U.S. agriculture.

Brussels edged lower in moderate volume, with the stock exchange index 0.18 off at 159.32.

Petrofina suffered a BFr 20 decline to BFr 7,100 while the chemical sector, like some of its European counterparts, moved cautiously lower in the wake of the Union Carbide disaster in India. Solvay fell BFr 35 to BFr 4,200.

ACEC finished BFr 48 cheaper at BFr 614 after disclosures of layoffs as part of a corporate rationalisation programme.

Losses in utilities were posted by Intercom, BFr 5 down to BFr 2,190, although Electrobel firmed BFr 10 to BFr 8,610.

Hopes of early end-of-year gains spurred **Stockholm** higher. Electrolux, the most active, rose SKr 1 to SKr 244 while Ericsson lost the same amount to SKr 260 amid plans for a joint venture to develop Malaysia's telephone system.

Forest group MoDo advanced SKr 6 to SKr 268, while Pharmacia, also actively traded, gained SKr 2 to SKr 192.

A bullish industrial sector in **Milan** featured thoughout the day although early strength in some areas subsided late in the session. Montedison rose L8 to L1,288 while Fiat closed L7 stronger at L1,919. Olivetti, however, shed L10 to L5,950 on reports that its U.S. share listing might be postponed.

Mediobanca dropped L400 to L61,830 on uncertainty over its privatisation plans.

Utilities were to the fore in a higher **Madrid**, with banks the only weak sector.

Indices

NEW YORK-DOW JONES

	Dec 10	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	1984 High	1984 Low	Since Compilation High	Since Compilation Low
Industrials	1,172.26	1,163.21	1,170.49	1,171.68	1,185.07	1,182.42	1286.64 (6/1)	1086.57 (24/7)	1287.70 (18/11/83)	41.22 (2/7/32)
Transport	525.58	522.70	522.25	520.28	526.79	523.58	612.63 (9/1)	444.03 (25/7)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	144.54	144.65	145.16	144.80	144.50	144.39	146.39 (6/11)	122.25 (15/6)	163.72 (20/4/69)	10.5 (28/4/42)
Trading vol	–	81m		88.70m	81.25m	95.30m	–	–	–	–

	Nov 30	Nov 23	Nov 16	Year Ago (Approx)
Ind Div Yield %	4.92	4.79	4.91	4.45

N.Y.S.E. ALL COMMON

Dec 10	Dec 7	Dec 6	Dec 5	1984 High	1984 Low
93.81	93.52	93.74	93.47	98.12 (6.11)	85.13 (24/7)

RISES AND FALLS

	Dec 7	Dec 6	Dec 5
Issues traded	1,998	2,010	2,002
Rises	676	795	510
Falls	806	751	1,010
Unchanged	518	464	482

STANDARD AND POORS

	Dec 10	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	1984 High	1984 Low	Since Compilation High	Since Compilation Low
Industrials	182.65	181.45	181.99	181.26	182.81	182.13	191.48 (6/11)	167.74 (24/7)	194.84 (10/10/83)	3.62 (30/6/32)
Composite	162.83	—	162.76	162.10	163.38	162.82	170.41 (6/11)	147.82 (24/7)	172.15 (10/10/83)	4.40 (1/6/32)

	Nov 28	Nov 14	Nov 7	Year Ago (Approx)
Ind div yield %	4.12	4.07	3.95	3.72
Ind. P/E Ratio	10.60	10.69	10.88	14.43
Long Gov Bond Yield	11.37	11.71	11.57	11.49

TORONTO

	Dec 10	Dec 7	Dec 6	Dec 5	1984 High	1984 Low
Metals & Mnls	1,856.53	1,853.55	1,843.2	1,860.57	2524.4 (12/1)	1641.2 (25/7)
Composite	2,347.89	2,352.12	2,353.0	2,358.87	2585.7 (6/1)	2079.7 (24/7)
MONTREAL Portfolio	118.59	116.81	116.77	116.73	126.83 (10/1)	100.36 (24/7)

* Indicates pre-close figure

New York Active Stocks

	Stocks Traded	3.00p.m. Price	Change on Day
Union Carb	4,063,500	35⅛	– 1¾
Mid-So UTL	2,020,600	13⅛	unch
IBM	1,390,900	117¾	+ ⅝
ITT Corp	1,837,100	31⅜	– ⅝
Phil Pete	903,300	53	– ½
ATT	910,800	18⅝	– ¼
Phibro-Sal	872,000	29⅝	– ¼
Conti Tel	835,800	21⅜	unch
Commodore	751,100	19¼	– 1¼
Exxon	621,800	44½	+ ¾

Advances 665 Declines 825

BASE LENDING RATES

A.B.N. Bank	9½%
Allied Irish Bank	9½%
Amro Bank	9½%
Henry Ansbacher	9½%
Armco Trust Ltd.	10½%
Associates Cap. Corp.	10½%
Banco de Bilbao	9½%
Bank Hapoalim	9½%
BCCI	9½%
Bank of Ireland	9½%
Bank of Cyprus	9½%
Bank of India	9½%
Bank of Scotland	9½%
Banque Belge Ltd.	9½%
Barclays Bank	9½%
Beneficial Trust Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	9½%
CL Bank Nederland	9½%
Canada Perm'nt Trust	9½%
Cayzer Ltd.	9½%
Cedar Holdings	11 %
■ Charterhouse Japhet	9½%
Choulartons	11 %
Citibank NA	9½%
Citibank Savings ¶	10½%
Clydesdale Bank	9½%
C. E. Coates & Co. Ltd.	10½%
Comm. Bk. N. East	9½%
Consolidated Credits	9½%
Co-operative Bank *	9½%
The Cyprus Popular Bk.	9½%
Dunbar & Co. Ltd.	9½%
Duncan Lawrie	9½%
E. T. Trust	10 %
Exeter Trust Ltd.	10 %
First Nat. Fin. Corp.	11 %
First Nat. Secs. Ltd.	11 %
■ Robert Fleming & Co.	9½%
Robert Fraser & Ptns.	10 %
Grindlays Bank ‡	9½%
■ Guinness Mahon	9½%
■ Hambros Bank	9½%
Heritable & Gen. Trust	9½%
■ Hill Samuel §	9½%
C. Hoare & Co. †	9½%
Hong Kong & Shanghai	9½%
Johnson Matthey Bkrs.	9½%
Knowsley & Co. Ltd.	10½%
Lloyds Bank	9½%
Mallinhall Limited	10 %
Edward Manson & Co.	10½%
Meghraj and Sons Ltd.	9½%
Midland Bank	9½%
■ Morgan Grenfell	9½%
National Bk. of Kuwait	9½%
National Girobank	9½%
National Westminster	9½%
Norwich Gen. Tst.	9½%
People's Tst. & Sv. Ltd.	10½%
R. Raphael & Sons	9½%
P. S. Refson	9½%
Roxburghe Guarantee	10 %
Royal Bk. of Scotland	9½%
Royal Trust Co. Canada	9½%
■ J Henry Schroder Wagg	9½%
Standard Chartered ‖	9½%
Trade Dev. Bank	9½%
TCB	9½%
Trustee Savings Bank	9½%
United Bank of Kuwait	9½%
United Mizrahi Bank	9½%
Westpac Banking Corp.	9½%
Whiteaway Laidlaw	10 %
Williams & Glyn's	9½%
Wintrust Secs. Ltd.	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
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† 7-day deposits on sums of under £10,000 6¾%. £10,000 up to £50,000 7¼%. £50,000 and over 8%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 7¼%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

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WORLD STOCK MARKETS

OVER-THE-COUNTER

Continued from Page 32

Businesses for Sale

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Businesses Wanted

FT COMMERCIAL LAW REPORTS

One signature binds bank to undertaking

EBEED AND ANOTHER v SOPLEX WHOLESALE SUPPLIES LTD AND OTHERS
Court of Appeal (Lord Justice Lawton, Lord Justice Kerr and Lord Justice Browne-Wilkinson): December 5 1984

WHERE A trading bank grants its documentary credits manager general authority to handle a particular client's affairs, but no authority to sign alone on its behalf, it is bound by his sole signature on an undertaking if the totality of its conduct led the client to understand that he had authority to sign alone.

The Court of Appeal so held when dismissing an appeal by a London trading bank, Refson & Co Ltd, from Mr Justice Leggatt's decision that it was liable on an undertaking to repay $575,000 to Egyptian import/export traders, Mr ES Ebeed and Mrs AA Khalife trading as Egyptian International Foreign Trade Co ("International"). Refson was second defendant in an action brought by International against Soplex Supplies Ltd. Soplex took no part in the proceedings.

LORD JUSTICE BROWNE-WILKINSON said that in March 1979 a contract was made for the sale by Soplex to International of 10,000 tonnes of Romanian cement at $57.25 per tonne, to be delivered to Port Said or Alexandria.

Payment was to be by letter of credit opened by the Suez Canal Bank, and shipment was to be at latest by May 15. Soplex represented to International that the cement was being unloaded at Constanza at the beginning of May.

Refson acted as banker for Soplex in the transaction. On May 31 it tendered documents to Lloyds Bank, which was acting for the Suez Canal Bank. Lloyds paid Refson $571,475 against those documents under the letter of credit. It subsequently emerged that the representation that the ship was loading, and the documents, were untrue and fraudulent.

International was expecting the cement on or about May 14. It did not arrive. International became increasingly suspicious. On July 23 Soplex gave it a written guarantee that if the cement did not arrive by July 28, all the money would be refunded.

International decided that was not sufficient and asked for a bank guarantee. On July 26 an undertaking was executed on Refson's headed paper. It guaranteed payment of $575,000 in the event of the ship not arriving by August 8, or the cement not being in accordance with quality and being unacceptable to the Egyptian authorities.

The document carried only one signature, that of a Mr Booth, who was an officer, but not a director of Refson. Beneath his signature was Refson's stamp.

Under Refson's internal arrangements, Mr Booth did not have actual authority to bind Refson to the undertaking on his sole signature. He concealed the giving of the undertaking from his superior, and when it came to light he was summarily dismissed.

The ship did not arrive in the port of Alexandria until September 1. The cargo was caked and petrified. It did not conform to the contract quality required and was rejected by the Egyptian Cement Office. International thereupon called on Refson to honour the undertaking on the ground that the cargo failed to comply with the contractual requirements as to quality. Refson refused to pay.

The present action was started by International against Soplex and Refson. Soplex went into liquidation.

Mr Justice Leggatt held that the undertaking of July 26 was within Mr Booth's apparent authority and was therefore binding on Refson.

The person in charge of the particular transaction at International was Mr Sharobeem. The judge found that when he went to Refson's offices to collect the undertaking on July 26 it did not occur to him to speak to anyone other than Mr Booth, who was Refson's credit manager. He believed Mr Booth had full authority to handle the matter.

When Mr Booth signed the document, Mr Sharobeem asked him whether he would sign alone. Mr Booth said he would. Mr Sharobeem did not question his authority but asked him to place the bank's stamp beneath his signature. That was done. Mr Sharobeem told Mr Booth that *in Egypt* usually two *must* sign. Mr Booth replied that in London one signature was sufficient.

In deciding the issue, the judge directed himself by reference to the judgment of Lord Justice Diplock in *Freeman and Lockyer [1964] 2 KB 480, 505*, namely that there being no actual authority a third party could only rely on the apparent authority of an agent if the principal had held him out as possessing authority; and that the commonest form of holding out was by permitting him to act in the conduct of the principal's business. That constituted a representation that the agent had authority to enter into contracts of a kind "which an agent authorised to do acts which he is in fact permitted to do usually enters into in the ordinary course of such business."

Having heard expert evidence, the judge concluded that in signing the undertaking by himself Mr Booth was acting within what would ordinarily be expected to be the scope of his authority.

In the present appeal Mr Stamler for Refson submitted that there was no sufficient evidence to justify the judge's finding that it had held out Mr Booth as having authority to bind it on his sole signature.

The doctrine of holding out was a form of estoppel. The principal's acts constituted a representation that the agent had a particular authority and were reasonably so understood by the third party. That required the court to consider the principal's conduct *as a whole*.

In many cases the holding out or representation by a company consisted solely of the fact that the company had invested the agent with a particular office (see *British Bank of the Middle East [1983] 2 Lloyd's Rep 9*).

In the present case, the holding out was alleged to consist of a course of conduct wider than merely describing the agent as holding a particular office. In such case, although the authority normally found in the holder of office was very material, it must be looked at as part and parcel of the whole course of the principal's conduct in order to decide whether the totality of his action constituted a holding out.

The only correct approach was the one adopted by the judge, which was to consider the whole of Refson's conduct. He accepted expert evidence which showed that documentary credit managers were to be found in clearing banks, merchant banks, and trading banks.

The working methods of clearing banks were different and should be ignored. Normal practice in merchant and trading banks was that they had two categories of authorised signatories, category A (who could bind on their sole signatures) and category B (who could not).

Lists of category A and B signatories were confidential and could not have been known to anyone in International's position. In merchant and trading banks some (but not all) managers were category A signatories. In such banks it was common for there to be a close relationship between a particular senior manager and one particular customer.

A documentary credit manager might or might not be a sole signatory. If he looked after a client's affairs generally (as opposed to being limited to documentary credit alone) he would be expected by those who knew the practices of such banks to have general authority to bind the bank and to be an A signatory.

Mr Booth had been acting for Refson in relation to Soplex's affairs over a wide field, far outside that of documentary credits. There was no suggestion that, save in giving the undertaking, he was acting outside his authority or that his superiors were not aware of what he was doing. He was a senior manager answerable directly to the board. Although International was not aware of the full range of his activities, it did know that he had wide knowledge of Soplex's affairs.

On those facts alone, Refson held out Mr Booth as being a manager of the kind who dealt with his clients' affairs generally and who could therefore reasonably be expected to have a general authority.

Further facts were also relied on by the judge. When the whole picture was looked at in the round there was ample evidence to justify his finding that in signing the undertaking Mr Booth was acting within the authority that he had been held out by Refson as possessing, and that International was entitled to and did rely on such representation.

With regard to Mr Booth's representation that one signature was sufficient in London, there was substantial authority that if a company conferred actual or apparent authority to enter a specific transaction, a representation made by him as to his authority was capable of being relied on as one of the acts of holding out (*see British Thomson-Houston [1932] 2 KB 176; Freeman and Lockyer 499; Hely-Hutchinson [1968] 1 QB 549, 593*).

The appeal should be dismissed.

Lord Justice Lawton and Lord Justice Kerr gave concurring judgments.

For Refson: Samuel Stamler QC and Nicholas Strauss QC (Beachcrofts)

For International: David Johnson QC and Murray Pickering (Richards Butler & Co).

By Rachel Davies
Barrister

MARKET REPORT

Telecom leads equities into uncharted territory —index 7.3 up at record 930.3

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Nov 26	Dec 6	Dec 7	Dec 17
Dec 10	Dec 20	Dec 21	Jan 7
Dec 24	Jan 10	Jan 11	Jan 21

* "New-time" dealings may take place from 9.30 am two business days earlier.

London equity markets began the last trading Account before Christmas in the spirit traditionally associated with the festive season. Leading industrials immediately resumed Friday's strong tone and led by British Telecom, the FT Ordinary share index rose 7.3 more to a record 930.3. A good weekend Press on market prospects and Telecom in particular encouraged persistent, although mainly selective investment support.

A combination of domestic institutional buying and overseas demand swept BT higher to the best yet of 97½p amid strong evidence of stock shortages before a close of 95½p, up 3 on balance. American and Middle East investors were actively purchasing shares of the recently-privatised UK group, but transatlantic enthusiasm faded late in unison with lower Wall Street values soon after the U.S. market's opening yesterday.

Other blue chips and many secondary issues benefited from the committal of returning BT cash. Stores maintained their current prominence following announcement of last month's record retail sales, while sterling/dollar influences ensured American favourites of a continued following. Situation issues meanwhile attracted speculative funds and paraded several good features.

Government securities were the only dull area. Listless conditions again prevailed here awaiting the December money supply figures, due to be announced at 2.30 pm today. These will obviously be distorted by the huge application for British Telecom shares. Mirroring Friday's dullness in U.S. bonds, Gilt-edged quotations started fractionally easier, but they subsequently rallied to show narrow changes either way at the close of business.

Midland good again

Midland, which rose 21 last week on vague rumours of a bid from British Petroleum, advanced 7 more to 370p following Press comment. Other clearers edged higher in thin trading. Lloyds, recently unsettled by fund-raising fears, rallied 3 to 500p; while NatWest hardened a couple of pence to 570p and Barclays firmed 5 to 530p. Elsewhere, Royal Bank of Scotland put on 7 to 230p xd.

Hogg Robinson's interim results were deemed satisfactory and the shares touched 218p before closing a penny harder on balance at 214p. Elsewhere in Insurances, Life issues continued to push forward on takeover speculation. Legal and General firmed 10 to 540p, Prudential 8 to 500p and Sun Life 7 at 724p. Among Composites, publicity given to a broker's adverse circular clipped 5 from Royals, at 520p. Allianz dropped 2¾ points to £278¼; the group yesterday announced a DM 100m rights issue and the intention to hive-off its insurance business.

Scottish and Newcastle rose 3½ to 129p on Press forecasts of bumper interim profits; the group is due to report next Monday. Bass, still drawing strength from the recent results, firmed 7½ afresh to 450p xd, while Whitbread "A" closed 4 dearer at 197p. Greenall Whitley finished unaltered at 146p, after 150p, following the preliminary figures. Elsewhere, Distillers moved up 5 more to 311p on renewed demand ahead of the interim results, scheduled for December 20.

Leading Buildings settled little changed following a quiet trade, but selected secondary issues made progress. John Laing were a relatively active counter and firmed 4 to 211p, while Marchwiel moved up 8 to 254p. Wilson (Connolly) rose 8 to 196p in a restricted market and McCarthy and Stone hardened 5 to 220p awaiting today's annual results. Among brick concerns, Nottingham Brick were quoted at 140p ex all; the new nil-paid shares opened at 22p premium and rose to 30p premium. Buying ahead of tomorrow's preliminary statement lifted Baggeridge Brick 4 to 202p. Elsewhere, Phoenix Timber touched 138p prior to closing 2 cheaper on balance at 132p; the interim figures are due on Friday.

ICI were a neglected market, but improved a couple of pence to 668p, after 670p. Among other Chemicals, Coalite edged up 3 to 201p xd and Plysu added a like amount at 233p, the latter in a limited market. Yorkshire Chemicals slipped to 63p before late support left the close 2 dearer on balance at 66p.

Dixons feature

November's record retail sales figures set the seal on another firm session in Stores. Already active and moving higher in response to reports of heavy unofficial Sunday trading, prices closed at the day's highest levels. Boots stood out with a rise of 8 at 196p, while Debenhams put on 6 to 216p as did Habitat, at 382p. Woolworth gained 6 at 573p and Gussies "A" improved 4 at 660p, while Marks and Spencer hardened 2 to 119p. Comment on the group's success in acquiring Currys prompted further good demand for Dixons, which rose 34 more to a new high for the year of 485p; Currys put on 10 more to 559p. Excalibur Jewellery advanced 3 to 11½p following an investment recommendation, while Alfred Preedy gained 4 to 118p, after 120p, after details of the reduced interim deficit. Against the trend, Ladies Pride came on offer and closed 4½ down at 23p.

Weekend Press mention and trading statements helped to enliven proceedings in the Electrical sector. Bumper preliminary figures left Dubilier 23 higher at 195p, while Thermal Scientific, still reflecting the good interim figures and acquisition news, advanced 12 further to 245p xd. CPS Computers responded to newspaper comment with a rise of 10 to 158p and STC improved 8 to 272p for a similar reason. Among the leaders, Plessey edged up 4 to 214p and GEC 2 to 230p. Thorn EMI, assisted by the £85m Ministry of Defence contract, improved 7 to 472p.

Selective buying interest was evident in the Engineering sector. Good interim figures prompted a rise of 12 to 174p in Baker Perkins, while Burgess Products continued to benefit from the recent capital proposals and advanced 15 more to 96p; the latter's "A" shares were 8 higher at 90p. Delta continued to attract occasional demand and put on 1½ to 97½p, while bid favourite, Birmid Qualcast, improved 3 to 81p. Vosper rose 9 to 164p. Lake and Elliot improved 1½ to 57½p awaiting today's preliminary figures, but A. Cohen eased 10 to 495p and Triplex 3 to 33p following trading statements. Among the leaders, GKN moved up 5 to 181p and Vickers, a rising market recently on good buying, edged up 4 more to 207p.

Among Foods, Tate and Lyle hardened 2 to 442p awaiting tomorrow's annual results, while Unigate, half-timer on Thursday, gained the turn to 158p. Rowntree Mackintosh, which surged forward late Friday on revived takeover speculation, slipped to 372p prior to closing unchanged on balance at 374p. Bassett added 1½ to 155p xd following Press mention, while Pyke Holdings rose 10 to 260p in a restricted market. Recently depressed Bio-Isolates revived strongly and gained 6 to 48p.

Ladbroke attracted good support following Press comment on the group's U.S. horseracing operations and the close was a net 10 up at 251p, after 253p.

Norcros sold

Disappointing interim figures prompted selling of Norcros which settled only a shade above the worst at 165p, down 17. Whitecroft also turned easier following its half-year statement and closed 5 off at 158p. Johnson Matthey, in contrast, rallied 6 further to 77p, while Turner and Newall were noteworthy for a rise of 8 to 105p. British Aerospace were supported at 363p, up 8, along with Low and Bonar, which gained 10 to 248p. Better-than-expected preliminary figures left Dobson Park 3 dearer at 84p, after 86p, but unexciting interim results lowered Brengreen 1½ to 48p. Metal Closures, an old bid favourite, improved 6 to 158p and Bath and Portland closed 3 dearer at 269p following rejection of the bid from C.H. Beazer. Among the miscellaneous industrial leaders, Metal Box were particularly good at 368p, up 14, while buyers in front of tomorrow's interim results left Pilkington Bros 10 higher at 320p. Weekend Press mention prompted further demand for Hanson Trust, which improved 5 more to 292p xd.

Recent high-flyer Samuelson Group were given a fresh boost by favourable Press comment and the price moved ahead strongly in a restricted market to close 45 up at 575p. Pineapple Dance Studios found support and put on 6 to 63p.

The gloomy interim statement continued to weigh heavily on Jonas Woodhead which fell to 26p before closing 4 down on balance at 29p. Elsewhere in Motors, Lucas declined the same amount to 264p.

In Paper/printings, Norton Opax closed 3 better at 133p, after 140p, in response to the results and proposed 20 per cent scrip-issue.

Properties were selectively firm. Land Securities rose 5 to 306p and MEPC gained 6½ to 322p xd. The Isle of Man free-port agreement helped British Land add 1½ to 140½p, while occasional buying ahead of Thursday's half-timer left Haslemere Estates a couple of pence dearer at 518p. Elsewhere, Sheraton Securities firmed a penny to 14p in reply to increased interim profits and a confident statement. C.H. Beazer shed 6 to 362p following Press criticism of the group's contested bid for Bath and Portland.

P & O Deferred firmed 5 to 303p on newspaper comment, while Mersey Docks advanced 4 to 40p following revived speculative support.

Towles, 60p, and the "A," 52p, jumped 10 apiece on an investment recommendation. Elsewhere in Textiles, Lister put on 5 at 58p xd, while Tomkinsons gained 7 to 150p xd.

Imps, continuing to reflect brokers' recommendations, firmed 3 more to a high for the year of 180p.

Old speculative favourite Britannia Arrow returned to favour and closed 4 dearer at 74p among Financial Trusts. Stockjobbing concern Smith Bros hardened a penny to 102p ahead of Thursday's interim results.

Falcon/surge ahead

Continuing concern over the possibility of further falls in spot crude prices and official OPEC pricing levels—OPEC members meet on the 19th to discuss price differentials on various grades of crude oil — stifled any buying interest in leading Oils.

Secondary issues, however, provided a number of features. Favourable weekend Press comment encouraged good demand for Falcon Resources which advanced strongly to close 25 higher at a year's best of 195p. Press mention was also responsible for a gain of 3 to 62p in Petrogen Petroleum. Further consideration of the latest oil discovery in the Paris Basin prompted renewed buying of Invent Energy which added 10 more at 555p, while Canadian-registered issues were featured by International Petroleum, 24 up at 134p. Great Western Resources attracted speculative interest and moved ahead to close 20 up at 288p. Ireland's Oliver Prospecting got off to a firm start and touched 205p but rumours of a dry well in the Celtic Sea triggered heavy selling which subsequently lowered the shares to 158p prior to a closing level of 175p, a net loss of 5. Elsewhere, Caledonian Offshore dropped 10 to 215p in the wake of the proposed £3.6m rights issue; the company is to participate in the UK's ninth licensing round.

Teas were inclined harder in places. McLeod Russel rose 12 to 342p and Williamson improved 5 at 400p.

Golds weak

Bullion continued its recent decline and slipped back 75 cents to $326.75—its fourth successive fall — and did little to sustain confidence in mining markets.

South African Golds retreated for much of the day in the wake of persistent selling from Johannesburg and London sources but steadied after-hours following light support from the Continent.

However, many leading issues posted heavy losses and the Gold Mines index registered a 15.2 decline at 532.3—its lowest level since early November.

Dividends from the Rand Mines group were out during market hours but Durban Deep gave up ½ to £12½. East Rand Proprietary lost 20 to 769p and Blyvoor fell 15 to 774p. Declarations from the gold mines in the Consolidated Gold Fields group are expected later today.

Beleaguered by the Johnson Matthey and Cape Industries affairs over the past couple of months Charter Consolidated staged a good rally ahead of the interim results scheduled for Wednesday and closed 9 higher at 182p.

A report from the Australian Mining Industry Council that the industry is facing its fourth successive tough year coupled with the disappointing showing by Wall Street unnerved "down-under" issues.

Golds were hard hit, Gold Mines of Kalgoorlie falling 15 to 415p and Poseidon 8 to 215p while Central Norseman dipped 10 to 363p.

Interest in Traded Options remained centred upon British Telecom where 3,969 calls and 788 puts were arranged out of a grand total of 8,547. Operators also showed a keen interest in the FT-SE 100 index which accounted for 625 calls and 563 puts.

FINANCIAL TIMES STOCK INDICES

	Dec. 10	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 3	year ago
Government Secs	83.29	83.27	83.54	83.66	83.58	83.16	82.51
Fixed Interest	86.11	86.33	86.38	86.41	86.37	86.11	85.90
Ordinary	930.3	923.0	908.4	914.6	917.6	924.9	753.7
Gold Mines	532.3	547.5	547.3	556.8	556.7	550.8	673.1
Ord. Div. Yield	4.63	4.66	4.69	4.68	4.64	4.60	4.64
Earnings, Yld.% (full)	11.82	11.90	12.01	11.93	11.88	11.18	11.80
P/E Ratio (net) (*)	10.15	12.09	9.93	12.06	10.10	10.69	12.86
Total bargains (Est.)	24,682	22,886	24,036	24,632	25,884	—	21,030
Equity turnover £m.	—	461.27	002.12	486.28	611.60	529.87	254.14
Equity bargains	—	27,110	27,675	28,584	34,275	27,523	18,250
Shares traded (ml)	—	287.8	331.5	342.4	478.5	448.5	147.8

10 am 925.1. 11 am 923.8. Noon 925.8. 1 pm 928.3. 2 pm 929.0. 3 pm 929.0.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=2.82.

HIGHS AND LOWS / S.E. ACTIVITY

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low		Dec. 10	Dec. 6
Govt. Secs	83.77 (9/1)	75.79 (30/7)	127.4 (9/1/35)	49.18 (3/1/75)	Daily Gilt Edged Bargains	136.4	122.9
Fixed Int.	87.42 (14/3)	80.43 (30/7)	150.4 (21/11/47)	50.53 (3/1/75)	Equities Bargains	175.7	179.3
					Value	938.3	1136.2
Ordinary	930.3 (12/12)	756.3 (26/7)	930.3 (12/12/84)	49.4 (26/6/40)	5-day Average Gilt Edged Bargains	143.9	142.6
Gold Mines	711.7 (9/5)	488.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)	Equities Bargains	190.1	174.6
					Value	1,071.6	998.7

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Mon Dec 10 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Fri Dec 7 Index No.	Thur Dec 6 Index No.	Wed Dec 5 Index No.	Tues Dec 4 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (205)	547.48	+0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (23)	508.47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (30)	774.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (14)	1627.16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Electronics (34)	1906.24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (60)	430.73	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (9)	160.81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 Motors (17)	235.88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Other Industrial Materials (18)	777.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUP (189)	592.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers (23)	540.71	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (21)	1426.16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (12)	998.81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products (9)	652.23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (23)	1397.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
31 Newspapers, Publishing (13)	275.47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Packaging and Paper (14)	353.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (45)	280.79	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (19)	831.04	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	304.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Other Consumer (7)	573.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (89)	467.08	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (17)	716.88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (4)	916.77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (13)	753.96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (53)	467.44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (483)	584.02	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (17)	1017.58	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX (500)	625.77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (117)	413.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	469.22	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (6)	413.99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	387.68	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	944.32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance (Brokers) (6)	213.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (12)	636.32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (53)	255.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Finance (18)	548.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (105)	276.43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	602.97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (740)	572.94	+0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE 100 SHARE INDEX	1197.9	+7.8	1199.7	1190.5	—	1190.1	1175.8	1182.9	1183.8	

FIXED INTEREST

PRICE INDICES	Mon Dec 10	Day's change %	Fri Dec 7	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	118.79	+0.05	119.80	0.26	10.94
2 5-15 years	132.50	+0.08	132.86	0.43	12.93
3 Over 15 years	141.06	+0.04	142.00	1.00	13.18
4 Irredeemables	151.75	—	151.75	—	13.57
5 All stocks	130.74	+0.05	131.13	0.45	12.38
6 Debentures & Loans	118.78	+0.21	118.73	0.19	11.09
7 Preference	77.81	+0.28	77.86	0.21	6.59

AVERAGE GROSS REDEMPTION YIELDS		Mon Dec 10	Fri Dec 7	Year ago (approx.)
British Government				
1 Low Coupons	5 years	10.26	10.28	9.61
2	15 years	10.85	10.85	10.17
3	25 years	9.72	9.72	9.81
4 Medium Coupons	5 years	11.98	11.97	11.05
5	15 years	10.81	10.85	10.71
6	25 years	9.97	9.97	10.50
7 High Coupons	5 years	11.95	11.96	11.26
8	15 years	10.71	10.71	10.88
9	25 years	10.89	10.89	10.50
10 Irredeemables		9.68	9.68	9.62
11 Debs & Loans	5 years	11.42	11.34	11.44
12	15 years	11.37	11.40	11.49
13	25 years	11.33	11.40	11.54
14 Preference		12.62	12.65	12.21

BRITISH GOVERNMENT INDEX-LINKED STOCKS

8 All stocks	116.53	—	116.53	—	2.44	15 Inflation rate 5%	3.28	3.28	3.24
						16 10%	3.11	3.11	2.98

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (111)

BRITISH FUNDS (6)
COMMONWEALTH & AFRICAN LOANS (2)
FOREIGN BONDS (1)
AMERICANS (2)
CANADIANS (1)
BANKS (1)
BREWERS (1)
BUILDINGS (1)
CHEMICALS (3)
STORES (7)
ELECTRICALS (5)
ENGINEERING (11)
FOODS (5)
HOTELS (2)
INDUSTRIALS (26)
INSURANCE (4)
LEISURE (3)
MOTORS (1)
NEWSPAPERS (1)
PAPER (7)
PROPERTY (5)
TEXTILES (1)
TOBACCOS (1)
TRUSTS (8)
OILS (2)
PLANTATIONS (2)
MINES (1)

NEW LOWS (14)

CANADIANS (2)
Barrick Res. Corp. Int'l. Corona Res.
STORES (1)
Ladies Pride
ELECTRICALS (1)
Gr'nwich Cable Comm.
ENGINEERING (1)
Wadkin
LEISURE (1)
Selec TV
TRUSTS (2)
Precious Metals Inv. AB Seiler A
OILS (2)
Texaco 4¾pc Cnv. Ln. 1991-95 Chief Oil
MINES (3)
Australis Mining NL York Resources Indian Ocean Res. 'B'

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	35	6	64
Corpns. Dom. and Foreign Bonds	15	18	40
Industrials	489	179	813
Financial and Props.	158	84	321
Oils	31	22	73
Plantations	7	4	6
Mines	13	67	77
Others	56	54	73
Totals	794	434	1,467

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+ or −	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1985-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Allotment letters or fully-paid. ‡‡ Introduction. ☆ Unlisted Securities Market. § Placing price. † Figures assumed. †† Official London Listing Shares of no par value.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 3	Dec 14	Mar 7	Mar 18
Dec 17	Jan 4	Mar 21	Apr 1
Jan 7	Jan 18	Apr 11	Apr 22

For rate indications see end of Share Information Service

Stocks to attract money for the call included Clive Discount, Bristol Oil and Minerals, South West Resources, Birmid Qualcast, Polly Peck, Combined Technology, Oliver Prospecting, Chloride, Feedex, Marks and Spencer, Marley, Hanson Trust, Thorn EMI, Burmah Oil and British Telecom. Puts were arranged in ICI, Oliver Prospecting and Combined English Stores, while double options were transacted in British Telecom and Churchill Energy.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Baker Perkins	174	+12
Boots	196	+8
British Telecom	95½	+3
Burgess Prods	[illegible]	[illegible]
Charter Cons	182	+9
Debenhams	216	+6
Dubilier	195	+23
Excalibur Jewellery	11½	+3
Habitat Mothercare	382	+6
Ladbroke	251	+10
Midland	370	+7
Norcros	165	−17
Tate and Lyle	442	+2

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Fri. close	Day's change
[illegible]	[illegible]	[illegible]	[illegible]

LONDON TRADED OPTIONS

Option	Calls Jan.	Calls Apr.	Calls Jly.	Puts Jan.	Puts Apr.	Puts Jly.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Dec. 10. Total contracts 8,547. Calls 6,277. Puts 2,270.
*Underlying security price.

EUROPEAN OPTIONS EXCHANGE

Series	Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 9,527

A=Ask B=Bid C=Call P=Put

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
105¼	100 11/16	Treas. 15pc 1985	100 13/16	...	14.86	9.52
102¾	100	Exch. 12pc Cnv. '85	100 11/16	+ 1/16	11.92	9.60
97 1/16	93 5/16	Treas 3pc 1985	97 1/16	+ 1/16	3.09	9.66
102⅞	99½	Treas 11½pc 1985	101 1/16 xd	+ 1/16	11.38	9.79
99¾	96 3/16	Treas 8¼pcCnv '85	99 1/16	.....	8.82	9.85
104 1/16	99⅞	Exch. 12¼pc 1985	102 1/16	.. ..	11.99	9.75
103 15/16	99 1/16	Exch. 11¾pc '86	101⅞	− 1/16	11.53	9.96
102 3/16	96 1/16	Treas. 10pcCnv 1986	100	....	10.00	9.97
93 1/16	88¼	Treas 3pc 1986	93¼	. . .	3.22	8.07
102	96¼	Exch. 10½pc Cv '86	100⅝	...	10.43	10.03
104 1/16	99 1/16	Treas 12pc 1986	102⅝ xd	+ 1/16	11.69	10.08
98¾	93½	Treas 8½pc 1984-86‡‡	97⅞ xd	− 1/16	8.68	10.04
108 13/16	102 7/16	Exch. 14pc 1986	106 1/16	. . ..	13.18	10.27
89¾	85	Exch. 2½pc 1986	89⅝	+ 1/16	2.81	8.69
107 15/16	100 11/16	Exch. 13¼pc 1987	105¼	. . .	12.60	10.43
100⅞	94½	Treas 10¼pcCv '87	99 5/16	. . .	10.30	10.46
87¾	83¼	Exch 2½pc 1987	87¾	+ ⅛	2.85	8.71
101 1/16	94½	Exch. 10½pc 1987	100¼	+ ⅛	10.47	10.35
92⅝	87	Funding 6½pc '85-87‡‡	92 13/16	+ 1/16	7.01	10.02
99⅝	92¾	Treas. 10pc 1987	99 xd	.. ..	10.10	10.47
86 1/16	81 1/16	Treas 3pc 1987	86 1/16 xd	+ 1/16	3.47	8.93
105	97⅞	Treas. 12pc 1987	103½	....	11.59	10.55
94⅝	87 1/16	Treas 7¾pc 1985-88‡‡	93 1/16	− 1/16	8.32	10.33
100¼	92 15/16	Exch 10½pc '88	99¾		10.53	10.59
90 1/16	89 11/16	Treas 9¾pc Cv '88	97 1/16 xd	+ 1/16	10.01	10.65
82¾	77	Transport 3pc '78-88	82¼ xd	...	3.65	9.00
96 13/16	88 1/16	Treas. 9½pc '88	96¼	+ 1/16	9.88	10.74
106¾	94 11/16	Treas 11½pc 1989	102¼	. . . .	11.26	10.82
96 13/16	87 11/16	Treas 9½pc Cnv. '89	96 1/16	....	9.88	10.60
99⅝	90 13/16	Treas 10½pc 1989	98 13/16 xd	.....	10.61	10.81
100 1/16	88¾	Exch.10pc 1989	96⅝	..	10.35	10.93
101 1/16	94¼	Exch 11pc 1989	100¼	.....	10.97	10.89
85¾	77½	Treas 5pc 1986-89	82 1/16	+ 1/16	6.09	9.72

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

1984 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
		Central African					
280	145	Falcon Z50c	160	+10	Q100c	♦	36.4
17	8	Wankie Col. Z$1	12		—	—	—
21	14	Zam Cpr. SBD0.24	14½		—	—	—
		Australians					
55	23	♦ACM 50c	49	–3	—	—	—
38	17	♦Alliance Expl'n. NL	28	–2	—	—	—
10½	3½	♦Asia Oil & Minerals	3½		—	—	—
[illegible]							

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL & IRISH STOCKS

[illegible]

OPTIONS — 3-month call rates

[illegible]

"Recent Issues" and "Rights" Page 35

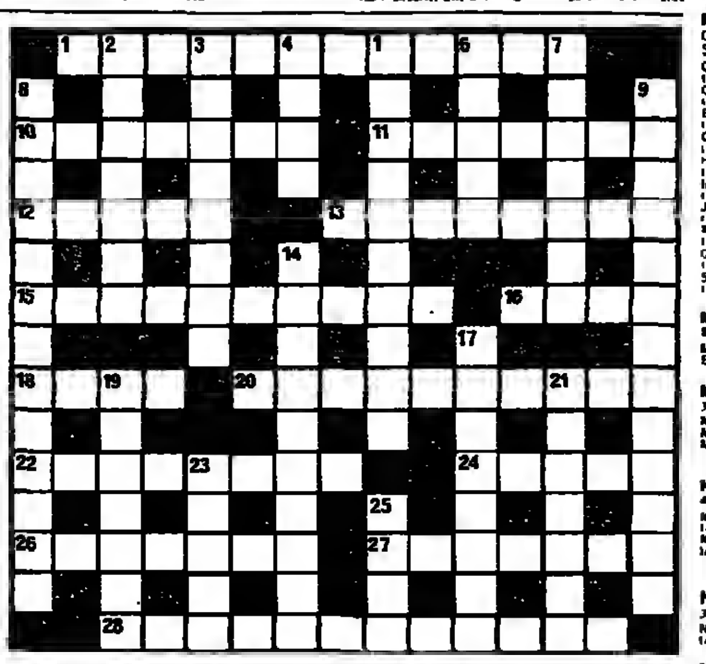
This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,592



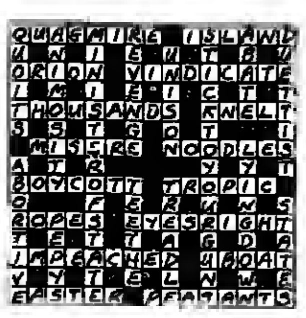
ACROSS

1 Numbers fish at side of ditch (12)
10 Morning by the heath in this country (7)
11 Rash girl to love the French (7)
12 From him I'd expect a class of compounds (5)
13 Ox and rodent playing close by (4-4)
15 Pope's ambassador accepts one little boy is sensible (10)
16 Soon starts again now off narcotics (4)
18 Record one about "Paradise Lost" say (4)
20 Carries with ecstasy—first son! (10)
22 Sanguine type to work with German back first (8)
24 Valediction by a continental God (5)
26 One to give fellow a right to be included (7)
27 Sideboard in the theatre? (7)
28 Teacher gets the classroom organised (12)

DOWN

2 First performance is an opportunity (7)
3 Eton site cultivated a rose (8)
4 Dash with beer up north (4)
5 Undoing present in the east is tortuous (10)
6 Anything useful like blacksmith's tool (5)
7 He makes an example of one (7)
8 Landor indeed a change from Eliot's work (6, 7)
9 Blond with one narrow outlook. Honestly! (4, 3, 6)
14 Showman gets repairs sorted out in one moment (10)
17 Their corner is near the 5 (8)
19 Means to be fashionable and nurses (7)
21 Arranges sureties—not time for second edition (7)
23 Paring we hear a vesta (5)
25 Sweetheart foolish to get up for cheese (4)

Solution to Puzzle No. 5,591



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INSURANCE, OVERSEAS & MONEY FUNDS

Midland Bank Tst Corp (Jersey) Ltd
28-34, Hill St, St Helier, Jersey. 0534 36281

MdBkOsGt	106.1	108.8	−0.3	11.26
MdBkIntBd	$1.06	1.0	....	7.41

Minerals Oils Res Shrs Fd Inc
PO Box 104, St Helier, Jersey. 0534 27441

MoresDec6	$11.04	11.30	....	5.51

Samuel Montagu Ldn Agents
114, Old Broad St, EC2 01-626 3434

MtAmEqIn(4)	97.1	102.1	+0.2	5.65
MtJapInc(4)	70.1	73.7	−0.3	4.21
MntGtInc(2)	50.4	53.1	−0.1	10.11
MtStRsD8	$15.13	15.14	....	9.17
MtInSDec5	50.21	9.60	....	—
AplDec5	SF105.85	112.50	....	1.23
JuHy30	NK$43.00	46.82	....	0.1d
117GaN30	$17.43	10.70	....	1.30
MFRNFD6	$10.16	10.16xd	....	—
US FIFNv6	$11.22	11.82	....	—

Murray Johnstone (Inv Adviser)
163, Hope St, Glasgow, C2. 041-221 5521

HopStDc11	$66.02	70.70	−0.50	—
MnrFDDc0	$10.73	19.95	....	—
PacFdDec5	$4.12	4.41	....	—

HEL International Ltd
PO Box 119, St Peter Port, Guernsey, CI.

SterlingDep	77.3	81.4	....	—
SterlFxdInt	89.00	93.7	....	—
SterlingMan	93.5	103.0	....	—
IntFxdMan	104.0	113.0	....	—
IntMan	104.2	113.2	....	—

Nat Westminster Jersey Fd Mgrs Ltd
23/25 Broad St, St Helier, Jersey. 0534 70041

HhInFd(a)(b)	54.0	57.0	....	10.53
EqtyFd(a)(b)	100.0	107.0	....	2.09
IntBdFd(a)*	77.7	80.0xd	....	0.92

*Sub day every 7 hours.

County Bank Currency Fund (z)

Dollar Class	$23.1156	+0.0052	—
Sterling Class	£11.4520	+0.0030	—
D-Mark Cl	DM53.3550	+0.0066	—
DutchGldrCl	Dfl53.5740	+0.0057	—
Jap Yen Cl	Y5,432.6341	+1.1538	—

Negit SA
10a Boulevard Royal, Luxembourg.

NAV	39.24	+0.04	—

Newport International Management
Bank of Bermuda Bldg, Bermuda. 809 295 4000

Npt Int Sec	$15.49	—	....	—
Npt Int Inc	$14.53	—	....	—
Npt PacDc	$11.07	—	−0.15	—

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Bldg, Bermuda. 809 295 4000

Amer Trust	$7.94	8.25	....	—

Normandy Trust Managers Ltd

Surinvest (Jersey) Ltd
4 Hill St, Douglas, IoM. 0624 20441

Copper Tst	£13.96	14.73	....	—

TSB Trust Funds (CI)
26 Hill St, St Helier, Jersey (CI). 0534 73494

TSB Gilt Fd	103.0	106.0	....	11.32
TSBGiltFdJy	103.0	106.0	....	11.32
TSB Jy Fd	96.0	102.0	....	3.71
TSB Grnsy Fd	90.0	102.0	....	3.71
TSBCrncyFd	102.4	107.6	....	—

Prices on Nov 28. Next sub day Dec 6.

Taiwan (ROC) Fund
c/o Vickers da Costa Ltd, King William St, London, EC4. 01-623 2494
NAV 3457. IDR value US$10,378.41.

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 72936

Man Cur Fd	104.5	110.2	−0.2	4.17

Tennant (Cayman) Managers Ltd and NATICO
PO Box 2100, Grand Cayman. 0101 (609) 9407430

Wstmstr Cm	$8.33	8.79	....	—

Tokyo Pacific Holdings NV
Intimis Management Co NV, Curacao.
NAV per share $741.68.

Tokyo Pacific Hldgs (Seaboard) NV
Intimis Management Co NV, Curacao.
NAV per share $103.38.

Tyndall Bank (Isle of Man) Ltd
30, Athol St, Douglas, IoM. 0624 29201

Stg Mny Fd	0.25	Nil	Qtr	Chq/7
US$ May Acc	0.00	Nil	Qtr	Chq/7

Tyndall Managers
2 New St, St Helier, Jersey. 0534 37331/3

TOFSL	702.1	208.2	....	1.21
American	264.2	220.4	....	7.82
Far Eastern	280.0	270.0	....	0.90
European	115.0	721.0	....	0.82
Prtflo Man	103.8	111.2	....	—
Prtflo Amer	98.0	106.5	....	—
PrtfloS/FEst	107.0	114.7	....	—
PrtfloSoEuro	106.0	114.3	....	—
Jersey Fd	773.2	180.4xd	....	5.00
(Nn-J Acuts)	424.0	403.0	....	—
Gilt Fund	117.0	110.2xd	....	10.00
(Accum Shs)	310.0	321.3	....	—

Victory House, Douglas, IoM. 0624 74171

High Inc Gilt	112.4	714.6	....	72.24
(Accum Shs)	215.0	220.0	....	—

Tyndall International Assurance Ltd
Albert House, St Peter Port, Guernsey. 0481 27066

Int Equity	428.7	451.3	....	—
Do $	5.173	5.450	....	—
Pacific Eqty	134.7	147.8	....	—
Do $	1.025	1.775	....	—
NAmerEqty	91.5	96.4	....	—
Do $	$1.100	1.160	....	—
UK Equity	307.4	377.3	....	—
Do $	3.640	3.835	....	—

Gilt&Opt Fd	51.18	1.24	....	5.00
U.S. $ Opt	50.94	0.90	....	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg.
Inv. Adv., M & G Inv. Mngt. Ltd, London.

WwdGthFd	$11.30	—	−0.03	—

Wren Commodity Management Ltd
10, St George's St, Douglas, IoM. 0624 25015

Wren Com Fd	12.8	13.3	....	3.10
Chinese Fd	59.9	62.4	....	1.70
PrecMetFd	122.7	127.8	....	0.30
VangCmdyFd	23.5	24.1	−1.0	—
FinFuturesFd	32.4	33.0	....	—

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg

Dynamic Grth Fd	58.92	−0.05	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-238 0957				
Call Fund	9.33	0.51	Bmth	Call
7-day Fund	0.57	9.02	Omth	7-day
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fund	8.07	9.10	6mth	Call
7-day Fund	9.19	0.90	3mth	Call
MnyMgAc	0.875	9.175	3mth	Call
Dollar	7.62	7.70	Omth	2-day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume 30 City Road, EC1Y 2AY. 01-030 0070				
Treasury Acc	9.375	9.77	Qtr	Call
Mth Int Chq	9.25	9.65	Mth	Call
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-828 8060				
Cheque Acc	9.25	9.65	Mth	Call
Barclays Prime Account PO Box 120 Northampton 0604 252091				
High Int Chq	9.25	9.57	Qtr	Call
Britannia Grp of Investment Companies 29 Finsbury Circ, EC2M 5QL. 01-550 2777				
Cater Allen	9.25	9.05	Mth	Call
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3994				
Sterling	9.38	9.05	Mth	Call
U.S. Dollar	8.50	0.06	Mth	Call
German Marks	0.0	5.19	Mth	Call
Swiss Franc	2.0	2.05	Mth	Call
Japanese Yen	5.0	5.19	Mth	Call
Choulartons 30 Ashley Rd, Altrincham, Cheshire, WA1 2DW. 061-928 9011				
Cheque Acc	9.75	70.20	Mth	Call
Co-operative Bank 78-80 Cornhill, EC3. 01-628 6543 Ext 485				
Under $1,000	0.00	0.24	Qtr	Call
Over $1,000	10.00	10.30	Qtr	Call
Dartington & Co Ltd Dartington, Totnes, Devon, TQ9 6JE. 0803 862271				
MnyMktAcc	9.50	89.64	Qtr	Call
Henderson/Bank of Scotland 38 Threadneedle St, EC2P 01 828 8060				
MnyMtChqAc	9.25	9.65	Mth	Call
Lombard North Central plc 17 Bruton St, W1A 3DH. 01-409 3434				
Notice Dep	0.75	10.12	Rate	14-day
M & G Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
HighIntChqAc	9.30	9.74	Daily	Call
Midland Bank plc PO Box 2 Sheffield 0742 20999 Ext 8738				
High Int Chq	9.50	9.64	Qtr	Call
Save & Prosper/Robert Fleming 28 Western Rd, Romford, RM1 3LB. 0708 66966				
HighIntMktAc	0.09	9.30	Daily	Call
Premier Acc	0.89	9.30	Daily	Call
Tyndall & Co 29-33 Princess Victoria St, Bristol BS8 4BX. 0272 752241				
Demand Acc	9.28	9.00	Qtr	Call
Money Acc	9.375	9.71	Qtr	Chq
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth. 0705 027733				
Special Acc	9.00	9.50	Mth	Call
Over £10,000	9.25	9.65	Mth	Call

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

COMMODITIES AND AGRICULTURE

St Joe lead strike settled

BY JOHN EDWARDS, COMMODITIES EDITOR

AN EIGHT-MONTH strike at the St Joe Resources lead plants in Missouri ended last night when worker ratified a two-year labour contract.

The settlement at St Joe follows the recent decision by Asarco workers on the Missouri lead "belt" to vote to go back to work in spite of their union's recommendation not to do so. The pressure will now be on for Amax workers, who have also been on strike for several months in Missouri, to agree a new labour contract.

The news came after the close of trading on the London Metal Exchange lead market yesterday with prices little changed.

The decline in lead stocks held in the LME warehouses took holdings down to the lowest level since July 1980 but some traders had expected a bigger fall.

At the same time the end of the St Joe strike will hardly come as a great surprise, though it may ease the scarcity of nearby supplies still further.

World stocks of aluminium rose less than expected in October. The International Primary Aluminium Institute said total stocks, including primary and secondary metal, were 4.359m tonnes at end-October against 4.357m in September and 3.771m in October last year.

LME warehouse holdings dropped last week to the lowest level since September 1981.

Copper stocks fell heavily for the second week in succession and there are fears of a nearby supply squeeze developing in the weeks ahead with forward delivery quotations rising to narrow the gap with the cash price.

Zinc holdings in LME warehouses are now at the lowest level since September 1975 and the cash price premium over the three months quotation widened yesterday.

LONDON METAL EXCHANGE WAREHOUSE STOCKS
(Changes in week ending Dec. 7)

Aluminium	−4,475 to 133,900
Copper	−7,275 to 134,450
Lead	−300 to 39,875
Nickel	−444 to 10,590
Tin	−440 to 21,945
Zinc	−1,250 to 32,250
	(tonnes)
Silver	−166,000 to 52,312,000
	(ounces)

Japanese pork ban stays

BY ANDREW GOWERS

BRITAIN HAS been rebuffed in its latest attempt to persuade Japan to lift a ban on imports of British pork, imposed on animal health grounds.

Following talks in Tokyo between Britain's chief veterinary officer and his Japanese counterpart, the British Meat and Livestock Commission said yesterday it was greatly disappointed at the continuing refusal by Japan to open its market.

The Japanese market for pigmeat is lucrative. Denmark, the EEC's largest producer, is expected to ship more than 72,000 tonnes there this year.

Britain is excluded because it permits imports of beef from South American countries in which foot-and-mouth disease is endemic. UK officials say such imports are only allowed in boneless form and under strict supervision which ensure there is no risk to British livestock.

According to the MLC the British authorities have now offered Japan additional veterinary safeguards which would prevent British pork from mixing with South American beef.

The flare-up comes when Japan is gradually opening up its meat market to other countries. Imports of high-quality beef from the U.S. are to rise by 6,900 tonnes a year to 1987, and imports of prepared or preserved pigmeat products are to be allowed from next year.

Studies may affect world wheat agreement

DISCUSSIONS AT a four-day International Wheat Council session, which started in London yesterday, will focus on studies of the impact on world wheat trade of export practices and on grain-handling in developing countries, delegates said.

The studies, the culmination of more than a year's work by the council's secretariat, are likely to be extended after consideration by the council. They could help to create initiatives on the shape of the International Wheat Agreement, they said.

● SOUTH AFRICA'S sugar crop for the 1984-85 season is estimated at a record 2.30m tonnes, compared with last month's forecast of 2.28m and last year's crop of 1.38m, the South African Sugar Association said.

● WEST GERMAN consumption of meat and poultry is seen averaging 90.5 kg a head this year, 2 kg more than last year, ZMP agricultural information bureau said in Bonn.

Consumption was aided by lower prices on average than a year ago. Pig meat remained the most popular, with consumption expected to rise to 51.5 kg from 50.4 kg. Beef would show the largest rise, up to about 21 kg from 19.2 kg last year, the bureau said.

● CHINA has invented a technique to cut time needed to develop strains of rubber trees from 100 years to three years, New China News Agency reported.

Experiments in the past few years had produced 1,000 trees giving 43 per cent more latex than the best local strains.

● INDIA would need an extra 75m tonnes of foodgrains to feed its growing population by the year 2000 but would be able to cultivate an additional 7m hectares only, Mr R. B. Singh, Agriculture Minister, said in New Delhi.

He said with exploitation of all available water resources India would not be able to irrigate more than 50 per cent of its present cultivable area of 143m hectares, of which 65m were now irrigated.

Hides trade heads for further restructuring

Nick Garnett examines a wave of unrest and the questions hanging over the auction system's future

THE USUALLY unruffled world of the cow and ox hide business has been subjected to a clutch of unsettling pressures in the past year. These emerged two weeks ago when Manchester's hides auction was abandoned in a dispute over payment terms.

That issue was resolved but the industry's problems and some conflicting vested interests among different sections of the £100m UK business have not been. "It's not turmoil but it's a wave," says one Liverpool hide dealer.

The backcloth has been a reshaping of the industry into bigger and fewer units and a shrinking network of auctions which has prompted some in the industry to suggest auctions in their present form might not survive.

Auctions account for less than 40 per cent of the kill, the rest of the hides being sold by private treaty.

The Manchester auction broke up when auctioneers for the North West Hide and Skin Sales Association and one of its principal trading members, Markendale Lancashire, insisted bids conform to a sales condition that required payment within 12 days. Custom and practice for several years had been 28 days.

This week's Manchester auction proceeded after Markendale backed down and allowed bids on the basis of individual negotiations between buyers and sellers. These turned out to be largely on the basis of 21 days or 28 days.

The Manchester dispute reflected:

● The cash flow pressures which have been squeezing traders, brokers, dealers and tanners and from which Markendale was trying to break out.

● The disruptive impact caused by the growing influence of Continental buyers.

The weekly UK kill of cattle is about 60,000 head, providing hides worth between £80m and £100m a year. Prices have always been volatile and were especially so over the past six months with a variation of as much as £10. They are now at a peak of £30 or more, a fourfold jump over the past four years.

These premium prices have been generated by several factors, including a stable or declining European kill, the high dollar, which has made U.S. hides less attractive, and generally rising fashion-induced demand.

This has cranked up the week-by-week money everyone needs to carry out their business, hitting cash-flow and eventually enticing Markendale to try a shortening of usually accepted credit terms. Brokers and dealers, facing similar cash-flow pressures, were having none of it.

Markendale, which trades and processes skins, also says competition at the abattoir is becoming tougher, with some Dutch and French companies buying directly at the door of British slaughter-houses.

Mr Bob Johnson of Markendale says his company's £246,000 profits last year will be much reduced this year.

Simmering alongside this has been the influence of Continental buyers, particularly Italians, in the general market place.

Some of these companies are offering attractive financial incentives to UK brokers to offer favourable payments terms in private treaty. This, say British tanners, will reduce the quantity available by auction.

Markendale says it can sell a lot of hides on seven- or 14-day cash credit terms, sometimes to the companies that would not accept those terms in auction, and openly questions whether it needs the auction system at all.

Mr Johnson says: "The auction system certainly hits our purchase side. Any cowboy can see what we are selling at and use that as a guide for purchasing at abattoirs."

Some UK dealers, though, say many of these short credit term purchases are based on price discounts.

Brokers and dealers, however, have the same cash-flow problems, the tanners to whom they sell usually paying on 21-day or 28-day terms. The tanners themselves are in an awkward position because often they cannot recoup money for three months or more.

The previous Manchester auction was halted partly because brokers and dealers feared that if Manchester got away with enforcing the 12-day payment rule, the other two auctions, at Birmingham and Leeds, might follow suit.

Question-marks hang over the auction system, in an industry where three auctions — Bristol, London and Glasgow — have closed and where the number of collectors from abattoirs has fallen by a half, to 40.

Some brokers suggest the traditionally rival Leeds and Manchester auctions should merge. Others believe the industry could be moving towards a national auction.

There are still, however, differences between each section of the industry on frequency. For example, the tanners would like auctions to be held every three of four weeks, to help stabilise prices.

The whole auction system might eventually be dismantled but few seem to want that. Mr Brian Rowsell of George Webster, the Bristol hide broker, says: "I think we need auctions to set a price standard." There has also been some interest in a European-wide futures market for hides.

Even with these strains the different groupings in the industry seem to maintain a bonhomie and are privately sympathetic to each others' views.

Says one broker: "We're a small industry and all rely on each other for information. We do try not to put knives in each others' backs."

India sets 651m kg tea production target

INDIA HAS set a target for next year's tea production of 651m kg compared with 635m kg this year, which is itself 10m kg above target, according to Mr R. L. Rikhye, vice-chairman of the Indian Tea Association, reports Reuter from Tezpur.

He told a meeting of the association that he expected domestic tea stocks at the end of this year to rise by 50m kg. The Indian tea industry was likely to invest about Rs1.57bn (£107.6m) next year, up from Rs1.37bn this year, he said.

He said there should be an easing of upwards pressure on domestic tea prices next year because of improved stocks. Total stocks of tea in Calcutta warehouses on November 20 were estimated at 229,340 chests (42 kg each) against 40,000 chests a year earlier.

In Gauhati, Assam, another important tea-auction centre, more than 410,000 chests were stocked on November 20, up from 350,000 chests a year ago, Mr Rikhye said. Stocks in other auction centres last month were also much higher than a year ago.

● At yesterday's weekly London auction there were 35,028 packages on offer, including 6,800 packages in the offshore section, reports Thompson Lloyd.

A good demand prevailed and best and medium Assams sold readily at firm to dearer rates. Plainer sorts were often to 10p easier, while Bangladesh teas were irregular, tending lower. Brighter liquoring East African CTC (crush, tear and cure) teas met useful competition and frequently advanced but lesser mediums were sometimes easier. Central African teas opened slightly lower but closed about steady.

Offshore teas came in for good demand and prices, though irregular, showed little overall change.

The average price for quality tea was unchanged at 325p a kilo. Medium tea was 7p down at 288p a kilo and low medium unchanged at 250p a kilo.

Nigerian cocoa 'damaged'

LONDON — A boat-load of Nigerian cocoa which reached the UK late last week, involving more than 2,000 tonnes, has been found to be partly affected by sweat and/or water damage in transit, London cocoa dealers said.

They said the cocoa had been eagerly awaited but problems surrounding any deterioration in quality were expected to add to recent apprehensions over the tight supply availability of nearby physicals.

Reuter

Record aid for Norway's fishermen

BY FAY GJESTER IN OSLO

STATE AID to Norway's fishermen next year will total NKr 1.375bn (£128m). This is NKr 275m more than for this year and a record but NKr 600m less than the country's fishermen's union had originally sought.

Representatives of the Government and the union agreed on the amount last week after several weeks bargaining.

This month the two sides will meet to discuss the money's distribution among the wide range of measures used to assist the industry.

These include direct price support payments per kilo of landed fish; contributions to vessel-modernisation, and, in some cases, premiums payable to fishermen who scrap their vessels and thereby contribute to a better balance between fish stocks and the fishing fleet.

Prospects for Norwegian fisheries over the next few years are judged to be better no wthan for some time, mainly because reserves of some important species are now increasing.

This is true of North Norwegian Arctic cod and haddock, for which overall catch limits for next year were recently set by the Norwegian - Soviet fisheries agreement.

Herring stocks in Norway's waters are also increasing, particularly of Norwegian spring-spawning herring. The Fisheries Ministry has decided to allow a small quota increase next year, while from 1987 catch quotas are expected to be raised substantially.

LONDON MARKETS

NEARBY COFFEE values on the London futures market fell sharply as concern eased about the possibility of a shortage of beans available for tendering against the January contract. Market talk that a large quantity of coffee tendered for November may become available for January led to heavy selling by commission houses and computer funds.

As a result, the January position ended £84 down at £2,195 a tonne and the March position £28.50 down at £2,198 a tonne. The price movements were exaggerated by yesterday's thin market conditions, dealers said.

Other "soft" (non-metal) commodities were also sharply lower.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

	Dec. 10 1984	+ or —	Month ago
METALS			
Aluminium	£1100		£1100
Free Mkt	$1165-1215.5		1230/1206
Copper			
Cash h Grade	£1108.5	+5	£1085.5
3 mths	£1118.75	+4.25	£1106.75
Gold troy oz	$330.75	−8.25	$346.75
Lead Cash	£341.5	+1.0	£367.5
3 mths	£334.75	+0.25	£362.5
Nickel	£5967		£5967
Free Mkt	222/252c	+1	217/257c
Palladium oz	$138.75	−07.5	$147.75
Platinum oz	$310.75	−0.25	$333.50
Quick Silver†	$220/306		$300/310
Silver troy oz	568.95p	−10.4	606.55p
3 mths	581.90p	−10.4	621.15p
Tin cash	£9845	+10	£9462.0
3 mths	£9817.5	+4	£9467.0
Tungsten	$86.50	+3.18	$88.53
Wolfram 22.04lb	074/78	−1.0	$80/84
Zinc	£665	+6.25	£630.5
3 mths	£658.25	+4	£630.75
Producers	$900		

	Dec. 10 1984	+ or —	Month ago
OILS			
Coconut (Phil)	$1035w	+15	$1050
Palm Malayan	$585v	10—	$670
Seeds			
Copra Phil	$565y	—	$620
Soyabean (U.S.)	$240.25w	−3.75	$264
GRAINS			
Barley Fut. Mar	£115.30	+0.15	£109.65
Maize	£145.50		‡
Wheat Fut. Mar	£113.40	−0.15	£110.75
No2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Mar.	£1830.5	−2.50	£1903
Coffee Ft. Mar	£2198.0	−28.5	£2362
Cotton A index	71.20c	—	‡
Gas Oil Jan.	$228.00	−2.5	$236.5
Rubber (kilo)	61.0p	−0.0	61p
Sugar (raw)	$115.50x	+1.00	$128.0
Woolt'ps 64s	482p kilo		‡

‡ Unquoted. v Jan. y Jan-Feb. x Dec-Jan. w Nov-Dec. † Per 75-lb flask. n Nominal. c Cents per pound.

INDICES

FINANCIAL TIMES

Dec. 7	Dec. 6	M'th ago	Year ago
289.29	282.61	227.02	292.48

(Base: July 1 1952 = 100)

REUTERS

Dec. 10	Dec. 7	M'th ago	Year ago
1878.9	1903.8	1865.3	1944.9

(Base: September 18 1931 = 100)

MOODY'S

Dec. 6	Dec. 5	M'th ago	Year ago
984.2	982.2	967.0	1034.6

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Dec. 6	Dec. 5	Month ago	Year ago
Spot	125.3	124.67	125.64	137.74
Fut	116.44	126.50	126.88	144.0

(Base: December 31 1974 = 100)

OIL

Brent forward months softened 10-15c while December slipped only 5c in thin trade. After a weak start, Nymex recovered to Friday's levels. Middle and light distillate products weakened on the European products spot market. End consumer demand for gas/oil remained weak while good supplies of Russian gas/oil were reported. Last minute December demand continued to strengthen heavy fuel prices as sellers awaited higher levels—Petroleum Argus.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arab Light	27.05-27.75	−0.125
Arab Heavy	26.10-26.20	−0.05
Dubai	27.05-27.75	−0.05
Brent Blend	27.50-27.40	−0.00
W.T.I. (1pm est)	27.35-27.45*	−0.175
Forcados (Nigeria)	27.45-27.50	−0.05
Urals	27.40-27.60	−0.05
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	243-248	—
Gas Oil	224-220	−2
Heavy fuel oil	183-185	+1

* Jan.

Petroleum Argus Estimates

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	U.S. $ per tonne		
Dec.	220.25	−1.75	226.25-25.50
Jan	228.00	−2.50	229.50-27.00
Feb	227.75	−2.50	228.75-27.75
March	224.25	−1.50	225.25-25.50
April	220.00	−1.80	221.25-20.00
May	210.70	−1.25	221.25-19.75
Jun	219.25	−5.25	220.00-19.25

Turnover: 1,860 (1,216) lots of 100 tonnes.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1096.5	−10.5	1102-3	+5.0
3 months	1111.5-2	−11.5	1112.5-9	+42.5
Settlem't	1096.5	−10.5	—	—
Cathodes				
Cash	1166.5	−0.25	1117-20	+8.5
3 months	1119-20	−11.0	1120 7	+5.0
Settlem't	1109.5	−8.5	—	—

Amalgamated Metal Trading reported that in the morning three months Higher Grade traded at £1,112, 12.5, 15, 12.0, 12. cash £1,096, three months £1,113, 12.5, 12, 11.5. Cathodes: Cash £1,109.5. Kerb: Higher Grade: Three months £1,111.5, 11, 10, 10.5, 11, 11.5. Afternoon: Higher Grade: Three months £1,116, 16.5, 16, 15.5, 16, 10.5, 17, 17.5, 16, 19, £1,119.5, 18, 19.5, 19. Cathodes: Three months £1,127. Kerb: Higher Grade: Three months £1,118, 17.5, 18. Turnover: 31,625 tonnes. U.S. Producers: 62.50-65.00 cents per pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9865-75	+10.5	9880-90	+28.5
3 months	9840-50	+2.5	9845-60	+5.8
Settlem't	9875	+24.0	—	—
Standard				
Cash	9835-40	+28.0	9840-50	+10.0
3 months	9810-5	+18.8	9815-20	+4.0
Settlem't	9840	+25.0	—	—
Straits E.	$29.10	—	—	—

Tin—Morning: Standard: Cash £9,840, 35, three months £9,815, 12. High Grade: Three months £9,840. Kerb: Standard: Three months £9,810. Afternoon: Standard: Three months £9,820, 25, £9,820. High Grade: Three months £9,855, 60. Kerb: Standard: Three month £9,815, 18, 15, 11. Turnover: 1,035 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	358.5-8	−6.25	341-2	+1.0
3 months	332-.5	−2.5	334-0-0	+0.25
Settlem't	558	−6.5	—	—

Lead—Morning: Three months £329.5, 29, 30, cash £339, 38.5, three months £332, 32.5, 32. Kerb: Three months £331, 31.5, 32. Afternoon: Three months £333, 34, 35, £336, 35, 34, 35, 34.5. Kerb: Three months £334, 33, 34. Turnover: 12,250 tonnes. U.S. spot: 23.00-27.00 cents per pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	660-1	−0.25	664-6	+6.25
3 months	657-.0	−1.25	658.5 0	+4.0
Settlem't	661	—	—	—

Zinc—High Grade Official/Unofficial Prices: Cash am £705-10, pm £709-12. Three months am £697-700, pm £699-702: settlement £710.

Zinc—Morning: Three months £655, 56.5, 56, cash £661, three months £657.5, 57. Kerb: Three months £656.0, 57, 58.5. Afternoon: Three months £657, 59, 58.5, 58, £658.5. Kerb: Three months £658.5, 59. Turnover: 7,900 tonnes. U.S. Prime Western: 45.00-45.75 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	942-8	—	930-7½	−8.9
3 months	966.0-7	+2.5	958-9	−3.0

Aluminium—Morning: Three months £968, 67, 66, £968, 67.5, 67, 65.5. Kerb: Three months £967, 68, 65, 64.5, 65. Afternoon: Three months £964, 63.5, 63, £964, 63, 62, 61, 60.5, 60, 58. Kerb: Three months £958, 57, 56, 55, 56, 57, 57.5, 57, 56, 55.5, 55. Turnover: 19,300 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	4110-20	+45.0	4095-100	−5.0
3 months	4110-20	+40.0	4095-100	−8.5

Nickel — Morning: Three months £4,130, 25, cash £4,120, three months £4,120. Kerb: Three months £4,105, 4,100, 4,085. Afternoon: Three months £4,095, 4,100, 4,095. Kerb: Three months £4,095, 4,100. Turnover: -,626 tonnes.

GOLD

Turnover: 171 (102) lots of 100 troy ounces.

Gold fell to its lowest level for nearly 2½ years in very quiet trading on the London bullion market. It opened at $326¼-326¾, and was fixed at $326¼ in the morning and afternoon. The metal ranged between its peak of $327-327½ and the low of $325½-326 during the afternoon, when New York was open, and closed $¾ lower on the day at $326½-327, the lowest finishing level since July 8 1982.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Dec.	—	—	—
Feb.	330.60-30.80	−1.10	330.30-30.40
April	—	—	—

GOLD BULLION (fine ounce) Dec. 10

Close	$326½-327	(£271½-272½)
Opening	$320¼-326¾	(£271¼-271¾)
M'n'g fix.	9028.95	(£271.039)
Aft'n'n fix.	3528.25	(£270.522)

GOLD AND PLATINUM COINS

Kr'g'r'nd.	$330¼-337	(£278¼-280)
½ Krug.	$173½-174	(£144-144½)
¼ Krug.	$88½-89¼	(£73½-74)
1/10 Krug.	$36-36¼	(£30-30½)
Mapleleaf	$330¼-337	(£278¼-280)
New Sov.	$77-77½	(£64-64½)
½New Sov.	$48¾-47½	(£38¾-39½)
Old Sov.	$77¾-78¼	(£64½-65¼)
$20 Eagle	$520-540	(£432-448½)
Noble Plat	$326½-329½	(£270¼-273¼)

SILVER

Silver was fixed 10.4p an ounce lower for spot delivery in the London bullion market yesterday at 568.9p. U.S. cent equivalents of the fixing levels were: spot 686c, down 15.7c; three-month 700.3c, down 13.5c; six-month 717.6c, down 13.9c; and 12-month 752.1c, down 19.2c. The metal opened at 567-570p (683-686c) and closed at 571-574p (687-690c).

SILVER per troy oz	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	568.90p	−10.4	569.5c	−8.5
3 months	581.90p	−10.4	583.0p	−7.75
6 months	595.70p	−10.7	—	.....
12months	591.10p	−15.0	—	.....

LME—(2,000 oz contract): cash 569.5p (578p); three months 583.5 (591.25). Turnover: 0 (0).

Turnover: 85 lots of 10,000 oz.

Morning: Large 1st ring three months 584.5, 2nd ring three months 583, 82, 81, 81.5. Kerb: large three months 582.5. Afternoon: untraded. Kerb: large three months 585.

COCOA

Futures opened steadier than due but came under pressure, notably from commission house selling. Origins were largely withdrawn, while light industry offtake came into the market as prices declined, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec.	1862-1870	−29.0	1908-1867
March	1830-1831	−25.0	1865-1825
May	1831-1832	−23.5	1860-1831
July	1837-1838	−16.5	1852-1830
Sept.	1837-1840	−16.0	1858-1840
Dec.	1780-1725	−22.5	1805-1780
Mar.	1775-1780	−21.0	1800

Sales: 3,923 (1,714) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for December 10 97.45 (98.60); five-day average for December 11 98.22 (98.29).

COFFEE

Rumours of attractive discounts on 1985 Brazilian coffee to reserve helped to depress nearby Robusta prices, reports Drexel Burnham Lambert. Volume was boosted by a large sell-trade of over 5,000 lots.

COFFEE	Yesterd'ys Close	+ or —	Business Done
January	2190-00	−84.0	2270-85
March	2197-98	−28.5	2233-90
May	2125-87	−12.0	2203-07
July	2160-02	−1.0	2305-79
Sept.	2300-01	−0.5	2202-78
Nov.	2152-02	−4.0	2205-65
Jan	2190-05	−5.0	—

Sales: 10,959 (2,112) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for December 7. Comp. daily 1979 134.41 (134.98); 15-day average 136.11 (136.63).

GRAINS

The markets gradually eased on long liquidation in quiet trading conditions. Sell trades and January-March switching were the main feature. New crops also remained quiet, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterd'ys close	+ or —
Jan.	109.80	−0.25	110.00	−0.25
Mar.	113.40	−0.15	113.30	−0.05
May	116.60	−0.05	110.05	−0.05
July	110.10	−0.05	—	—
Sept.	99.35	−0.05	97.85	—
Nov.	101.90	—	101.05	—

Business done—Wheat: Jan 110.05-0.75, Mar 113.60-3.30, May 115.95-0.80, July untraded, Sept 98.40 only, Nov 102.00-1.90. Sales: 190 lots of 100 tonnes. Barley: Jan 110.25-10.00, Mar 113.35-3.15, May 115.05 only, Sept and Nov untraded. Sales: 45 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 15 per cent, Jan 162.60, Feb 165.30, March 168.00 transhipment East Coast. U.S. No. 2 Soft Red Winter Jan 146.75, Feb-March 146.25. English Feed fob Jan 113.25. Maize: U.S. No 3 Yellow/French transhipment West Coast second half Dec 145-145, Jan 147.50-146.50. Barley: English Feed fob spot 112.50 Peterhead.

HGCA—Locational ex-farm spot prices. Feed barley: E. Mids 108.60, Scotland 107.40. The UK monetary coefficient for the week beginning Monday, December 17 (based on HGCA calculations using 4 days' exchange rates) is expected to remain unchanged.

PIGMEAT

Weaker physical prices found willing sellers and prices slipped despite some short-covering by major traders. The sentiment was bearish, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Feb.	114.00	114.30	114.80-13.80
April	112.40	113.90	113.10-12.30
June	109.80	110.30	110.50-09.70
Aug	107.70	107.00	107.80
Oct.	119.80	113.00	112.50
Nov	113.80	113.90	115.00-13.70

Sales: 66 (90) lots of 50 carcases, 3,250 kg.

POTATOES

In the absence of fresh news, and with physicals remaining dull and weak, futures continued to drift lower. The PMB is expected to announce next week possible measures to combat the sliding trend, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb.	53.80	06.80	—
April	02.50	64.20	64.00-62.10
May	05.00	07.10	66.20-64.60
Nov.	00.50	00.00	—
Feb.	75.00	78.00	—

Sales: 202 (679) lots of 40 tonnes.

RUBBER

PHYSICALS—The London market opened easier, attracted little interest throughout the day and closed quiet, reports Lewis and Peat. Closing prices (buyers): Spot 61.00p (same), Jan 71.50p (same), Feb (72.00p (same). The Kuala Lumpur Dec fob price for RSS No. 1 was 193.75 (189.0) and for SMR 20 was 189.0 (184.5).

SOYABEAN MEAL

The market opened unchanged in quiet conditions, reports T. G. Roddick. During the afternoon the market eased through commission house selling pressure.

	Yesterday close	+ or —	Business Done
	£ per tonne		
Dec.	145.0-157.0	—	—
Feb.	142.1-142.8	−0.80	142.5-142.1
April	142.5-142.5	−1.00	143.5-142.5
June	143.5-145.4	−0.80	145.5-14.55
August	145.5-146.0	−0.75	—
October	146.0-147.5	−1.85	—
Dec.	147.5-146.5	−1.50	—

Sales: 150 (151) lots of 20 tonnes, 0 (0) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $113.50 (£94.50), up $1.00 (up £1.00) a tonne for Dec/Jan delivery. White sugar $150.50, unchanged.

No.6 Con-tract	Yest'day's close	Previous close	Business done
	$ per tonne		
Mar.	132.5-155.0	147.0-141.2	141.0-132.5
May	140.6-140.2	148.0-148.4	147.5-140.0
Aug	150.4-150.6	158.2-156.8	159.2-150.0
Oct	158.0-158.5	158.2-166.4	165.5-150.0
Dec	165.0-165.4	172.8-175.8	173.0-172.0
Mar	178.0-179.5	187.4-185.4	185.5-185.8
May	185.0-186.0	185.4-195.4	—

Sales: 6,294 (2,516) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £197.00 (same) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for December 7. Daily price 3.96; 15-day average 4.03.

U.S. MARKETS

Gold and silver continued under pressure from tired long liquidation in response to the weakness in currencies along with low inflationary expectations which have been recently reinforced by the general decline in commodity values, reports Harold Commodities. The lack of reaction to the decline in exchange warehouse stocks led to weakness in copper prices.

Sugar was under sharp downward pressure to reach new contract lows on the good availability of cash which has been aggravated by recent offers by the Dominican Republic. Cocoa was weak in speculative selling reflecting the belief that crop estimates could be revised upward. Coffee showed losses in response to reports of discounts being offered.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	5075	140	116	5150
Jan	5100	—	—	5160
March	5190	5250	5180	5270
May	5275	5330	5275	5355
July	5360	6400	6400	5445
Sept	5445	—	—	5535
Dec	5580	—	—	5670
Jan	5625	—	—	5710
March	57-15	—	—	5805

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Dec	2240	2240	2210	2235
March	2098	2111	2084	2118
May	2099	2112	2089	2121
July	2104	2113	2090	2120
Sept	2107	2100	2095	2125
Dec	2065	2065	2065	2085
March	2070	2095	2095	2090

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	140.35	40.30	39.60	41.00
March	137.97	38.00	37.18	38.54
May	136.60	36.50	35.60	36.80
July	135.05	35.10	34.30	35.25
Sept	133.70	33.70	33.00	33.75
Dec	132.13	31.80	31.80	32.12
March	130.78	1.60	1.60	31.48
May	130.25	—	—	31.08

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Dec	57.40	58.55	57.35	57.70
Jan	57.60	58.60	58.00	57.60
Feb	58.00	—	—	58.30
March	58.45	59.65	58.40	58.75
May	59.20	60.40	59.16	59.59
July	59.95	61.20	59.60	60.35
Sept	60.70	51.80	61.10	61.15
Dec	61.80	63.00	61.90	62.40
Jan	62.15	—	—	62.80
March	62.90	63.35	63.35	63.60

COTTON 50,000 lb cents/lb

	Close	High	Low	Prev
March	65.33	65.80	65.30	65.80
May	66.30	66.75	66.35	65.60
July	67.48	67.85	67.47	67.92
Oct	68.16	68.25	68.15	68.18
Dec	68.10	68.25	68.15	68.18
Dec	—	—	—	65.93
March	8.25	69.30	68.30	68.30
May	69.95	—	—	70.00

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Jan	27.43	27.60	27.30	27.48
Feb	27.28	27.34	27.16	27.32
March	27.14	27.19	27.05	27.18
April	26.98	27.00	26.90	27.00
May	—	26.85	26.60	26.93
June	—	26.75	26.75	26.87
July	—	26.80	26.75	26.85
August	26.75	—	—	26.78
Sept	—	26.70	26.70	26.79
Oct	—	26.75	26.70	26.79

GOLD 100 troy oz $/troy oz

	Close	High	Low	Prev
Dec	325.4	327.3	325.1	326.9
Jan	327.1	—	—	328.6
Feb	329.4	331.2	328.6	330.6
April	334.1	336.0	333.5	336.0
June	339.4	340.5	338.6	340.9
August	344.9	346.4	344.1	346.2
Oct	350.4	350.0	349.5	351.8
Dec	356.4	357.0	356.5	357.8
Feb	362.7	362.2	362.2	364.1
April	369.1	369.8	369.9	370.0
June	375.9	76.0	76.0	377.4
August	382.8	86.1	86.1	384.4
Oct	389.9	—	—	391.5

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Jan	77.10	77.46	77.00	77.69
Feb	77.15	77.60	77.10	77.70
March	74.25	74.70	74.25	74.77
April	71.75	72.00	71.75	72.30
May	70.95	71.20	70.50	71.25
June	70.60	71.15	71.00	71.25
July	—	—	—	71.48
August	—	—	—	70.75
Sept	—	—	—	70.85

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Jan	161.65	63.40	61.60	64.10
March	163.60	66.15	63.60	65.60
May	163.65	65.00	63.00	65.50
Sept	162.50	64.00	62.00	64.25
Nov	162.00	62.50	62.25	63.70
Jan	161.50	—	—	63.00
March	161.50	2.75	2.75	63.00

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Dec	312.5	312.5	312.0	310.2
Jan	309.5	315.0	309.0	312.8
April	310.7	321.8	317.0	319.8
July	324.3	327.8	324.6	327.4
Oct	332.2	335.1	335.0	335.2
Jan	340.2	343.0	343.0	343.3

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Dec	678.3	682.0	678.0	688.8
Jan	681.5	692.5	684.0	692.3
Feb	686.8	666.0	696.0	697.6
March	692.0	705.0	691.0	703.0
May	702.6	716.0	703.0	714.1
July	714.4	728.0	713.6	725.0
Sept	726.8	738.0	728.0	738.4
Dec	746.5	758.0	745.0	758.4
Jan	753.1	70.0	65.0	765.1
March	766.4	773.0	770.0	778.6

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	4.10	4.47	4.10	4.47
March	4.77	5.08	4.76	5.12
May	5.09	0.38	5.09	0.43
July	0.41	0.66	0.41	0.74
Sept	5.67	5.98	5.67	6.01
Oct	5.87	0.12	0.86	0.20
Jan	0.32	0.60	0.65	5.66
March	6.85	7.11	0.83	7.15
May	7.14	—	—	7.48

SPOT PRICES—Chicago loose lard 29.50 (29.00) cents per pound. New York tin 539.0-549.00 (543.00-548.00) cents per pound. Handy and Harman silver bullion 687.0 (695.0) cents per troy ounce.

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	67.25	67.95	65.85	67.66
Feb	65.05	65.80	64.77	65.27
April	66.92	67.40	66.55	67.22
June	66.77	67.10	66.50	67.07
August	64.80	65.35	64.77	65.35
Oct	62.85	63.17	62.80	63.32
Dec	64.30	64.80	64.27	64.70

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	51.77	52.40	51.52	52.85
Feb	51.12	52.05	51.02	52.40
April	47.07	47.95	47.05	48.15
June	51.02	51.65	50.85	51.92
July	51.30	52.40	51.30	52.40
August	48.25	49.60	48.20	48.57
Oct	46.20	47.00	46.10	46.85
Dec	47.70	47.70	47.25	48.80
Feb	48.50	48.55	48.50	48.70

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
Dec	257.6	258.0	255.0	257.2
March	272.6	273.0	269.4	271.4
May	279.4	279.4	276.4	278.2
July	283.0	283.2	280.0	282.0
Sept	279.2	279.4	277.8	278.4
Dec	276.2	276.0	273.6	274.4
March	286.0	286.4	284.6	286.2

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	70.37	71.50	70.37	72.37
March	69.95	71.10	69.95	71.96
May	71.00	72.20	71.00	73.00
July	71.87	72.90	71.87	73.87
August	69.10	70.20	69.10	71.10
Feb	66.77	67.10	66.77	66.70
March	—	—	67.20	69.10

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Jan	594.4	597.4	596.2	594.2
March	607.8	611.0	599.4	609.2
May	620.6	624.0	612.0	621.2
July	631.6	633.0	621.0	630.4
August	632.0	632.4	622.0	631.4
Sept	620.4	622.4	616.0	621.4
Nov	621.0	622.0	613.4	620.2
Jan	634.4	634.4	628.0	633.4
March	642.0	—	—	—

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	147.2	167.7	145.9	147.5
Jan	149.3	149.9	147.8	148.6
March	163.3	155.7	153.6	155.6
May	160.3	160.8	158.8	160.6
July	165.3	165.5	163.8	165.8
August	165.2	167.0	165.5	166.5
Sept	167.3	169.0	163.0	168.0
Oct	168.0	168.5	168.0	166.0
Dec	171.0	171.0	170.5	171.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	27.32	27.35	26.77	27.12
Jan	25.70	25.94	25.27	25.82
March	24.58	24.80	24.27	24.73
May	24.20	24.35	23.95	24.32
July	23.80	24.10	23.61	24.08
August	23.52	23.90	23.40	23.70
Sept	23.27	23.66	23.20	23.55
Oct	23.02	23.80	22.95	23.55
Dec	23.03	23.00	22.90	23.50

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Dec	346.6	348.4	348.2	347.6
March	346.0	347.2	343.0	347.5
May	341.0	342.4	339.0	341.0
July	333.0	334.2	331.4	333.6
Sept	337.4	338.4	337.0	339.0
Dec	348.6	349.0	349.4	349.5

OTHER MARKETS

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 570.0, 574.0, 572.0; Mar 582.0, 583.0; May 589.0, 592.0; July 598.0, 600.0; Oct 587.0, 589.0; Dec 590.0, 591.5; Mar 598.5, 603.0; May 602.0, 605.0. Sales: 9.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 434, 508; Jan 504, 507, 506; March 514, 517, 514-512; May 520, 533, 520-518; Aug 539, 540, 539-532; Oct 539, 540, 539-536; Dec 539, 541; Jan 538, 542, 539-537; March 548, 551, 547; May 552, 554. Sales: 68.

JUTE

JUTE—Dec/Jan c and f Dundee BWC/BTC $960, BWD/BTD $940; c and f Antwerp BWC/BTC $960, BWD/BTD $940; c and f Dundee ex-India Dec 40 in 10 oz £27.80, 40 in 7.5 oz £20.26; B Twills £81.91.

ROTTERDAM

WHEAT—(U.S. $ per tonne): U.S. two soft red winter Jan 160, Feb 159, Mar 159.50. U.S. two northern spring 14 per cent protein Dec 178, Jan 180, Feb 183, Mar 186, April/May 172. U.S. northern spring 15 per cent protein April/May 187.50. U.S. three hard amber durum Dec 199, Jan 202, Feb 204, Mar 205, April/May 198, June 191, Sept 199. Canadian one western amber durum April/May 208.50.

MAIZE—(U.S. $ per tonne): U.S. three yellow afloat c/l Ghent 133.50, Dec 132, Jan 130.75, Feb 132, Mar 132.50, April/June 134, July/Sept 138, sellers. Argentine Plate Mar 139, April/June 137, sellers.

SOYABEANS—(U.S. $ per tonne): U.S. no two yellow Gulfports Nov 20/Dec 10 243.25, Dec 242.25, Jan 242.50, Feb 244.75, Mar 247, April 249.20, May 250.70, June 252.25, July 253.40, sellers.

SOYAMEAL—(U.S. $ per tonne): 44 per cent afloat 169-176, Nov/Dec 166, Dec 165.50, Jan 165, Jan/Mar 166, April/Sept 178, sellers. Pellets Brazil afloat 186-184.50, Dec 181.50, Jan 182.60, Jan/Mar 183, April/Sept 180, sellers. Pellets Argentine afloat 173-170, Dec 171, Jan 171, Jan/Mar 177, May/Oct 178, sellers.

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 103.28p per kg lw (+6.19). GB—Sheep 187.67p per kg est dcw (+1.04). GB—Pigs 90.77p per kg lw (+0.58).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 78.0 to 85.0. English forequarters 54.0 to 58.0. Veal—Dutch hinds and ends 121.0 to 125.0.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar drifts a little higher

The dollar moved higher in very quiet foreign exchange trading yesterday. It opened firmer and ranged between its very limited high and low during the morning. There was a period around mid-afternoon when the U.S. currency showed signs of sliding, but it recovered, although the market continued to lack any firm direction.

There was reported to be some commercial demand for the dollar, but this was countered by Bundesbank sales on the open market. Dealers are cautious, fearing further sales of dollars by the Bundesbank before the year end, but also knowing that any large buying order could send the dollar shooting up in the prevailing thin market.

Sentiment was generally supportive of the U.S. currency, on speculation the Federal Reserve will not push U.S. interest rates any lower at the moment, and also in anticipation that the economic data to be released this week will include rises in November retail sales and industrial production, after a period when statistics have pointed to a marked slowdown in U.S. economic growth.

The dollar improved to DM 3.0920 from DM 3.0850; FFr 9.4725 from FFr 9.4425; and SwFr 2.5525 from SwFr 2.5425; but eased to Y246.75 from Y247.35.

On Bank of England figures the dollar's exchange rate index fell however to 142.6 from 142.7.

STERLING — Trading range against the dollar in 1984 is 1.4805 to 1.1875. November average 1.2415. Exchange rate index rose 0.1 to 74.8, compared with 79.6 six months ago. The index opened at 74.8 and remained at that level at each successive hourly calculation.

Sterling was steady against the dollar and firm against most other major currencies. The pound remained on the sidelines, waiting for some move on oil prices or the miners' strike, and tended to drift to and fro with the dollar. It finished unchanged at $1.2025-1.2035, and rose to DM 3.72 from DM 3.71; FFr 11.39 from FFr 11.3650 and SwFr 3.07 from SwFr 3.06, but declined to Y297 from Y297.50.

D-MARK — Trading range against the dollar in 1984 is 3.1410 to 2.5533. November average 2.9906. Trade-weighted index 120.7 against 120.4 six months ago.

The D-mark weakened against most currencies, including the dollar, at the Frankfurt fixing. The German Bundesbank was estimated to have sold about 50m on the open market, and also parted with $12.45m when the dollar was fixed at DM 3.0931, compared with DM 3.0710 on Friday. Commercial demand for the U.S. currency in a thin market helped to offset the Bundesbank's sales, while a slight firming of Eurodollar interest rates also lent support to the dollar. It was the third consecutive trading day that the Bundesbank sold dollars on the open market, and this pushed the U.S. currency down from a peak of DM 3.0975 to a low of DM 3.0790, before it recovered at the fixing. Sterling improved to DM 3.7220 from DM 3.7030, and the Swiss franc to DM 1.2119 from DM 1.2115. Within the EMS the French franc was unchanged at DM 32.655 per 100 francs, but other currencies were stronger against the D-mark.

STERLING EXCHANGE RATE INDEX

	Dec 10	Previous
8.30 am	74.8	74.6
9.00 am	74.8	74.6
10.00 am	74.8	74.6
11.00 am	74.8	74.7
Noon	74.8	74.7
1.00 pm	74.8	74.7
2.00 pm	74.8	74.7
3.00 pm	74.8	74.6
4.00 pm	74.8	74.7

£ in New York

	December 10	Prev. close
£ Spot	$1.2010-1.2080	$1.2030-1.2040
1 month	0.06-0.04 pm	0.06-0.03 pm
3 months	0.09-0.06 pm	0.10-0.05 pm
12 months	0.58-0.68 dis	0.48-0.65 dis

Forward premiums and discounts apply to the U.S. dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu December 10	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	44.9908	+0.20	+0.44	±1.5428
Danish Krone ...	8.14104	8.01763	−1.52	−1.28	±1.6421
German D-Mark	2.24184	2.23482	−0.31	−0.07	±1.1463
French Franc ...	6.87456	6.84605	−0.41	−0.17	±1.3659
Dutch Guilder ...	2.52595	2.52158	−0.17	+0.07	±1.5165
Irish Punt	0.72569	0.717146	−1.16	−0.94	±1.6671
Italian Lira	1403.49	1378.17	−1.80	−1.80	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST POUND

Dec 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2010-1.2060	1.2025-1.2035	0.06-0.03c pm	0.45	0.10-0.05pm	0.25
Canada	1.5580-1.5915	1.5895-1.5915	0.54-0.50c pm	6.20	0.35-0.43dis	−0.88
Nethlnd.	4.1945-4.2040	4.19-4.20	0.15-0.18c dis	−1.50	4-3¾pm	3.64
Belgium	74.55-74.95	74.65-74.75	1.05-1.02c pm	3.58	13-22dis	−0.94
Denmark	13.34-13.38	13.34½-13.35½	7⅛-8⅞c dis	−1.64	6⅞-7⅞dis	−2.21
Ireland	1.1878-1.1989	1.1878-1.1888	2.10-2.85ore dis	−2.88	1.45-1.63dis	−5.13
W. Ger.	3.7115-3.7250	3.71½-3.72½	0.95-0.90pf pm	3.59	3¼-3⅛pm	3.83
Portugal	197.80-200.50	197.80-200.50	175-525c dis	−25.30	585-1740d	−23.74
Spain	205.95-206.40	206-206.30	50-60c dis	−3.85	130-185dis	−3.06
Italy	2,281.9-2,287	2,283½-2,284½	10½-11lire dis	−5.76	28-35dis	−5.52
Norway	10.72-10.77	10.72½-10.74½	3.00-3.50ore dis	−4.36	9¼-9¾dis	−3.51
France	11.357-11.409	11.38½-11.39½	1.30-1.40c dis	−1.71	3¼-4¼dis	−1.29
Sweden	10.59-10.61½	10.60½-10.61½	1.55-2.15ore dis	−2.45	5⅞-6dis	−2.17
Japan	296½-297¼	296½-297½	0.63-0.59y pm	2.95	2.45-2.31pm	3.21
Austria	26.10-26.17	26.11-26.15	2.70-1.90gro pm	1.24	12⅞-9¾pm	1.69
Switz.	3.06-3.07½	3.06½-3.07½	0.90-0.84c pm	4.09	3½-3¼pm	4.48

Belgian rate is for convertible francs. Financial franc 74.90-75.00. Six-month forward dollar 0.05-0.10c dis. 12-month 0.55-0.70c dis.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Dec 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2010-1.2060	1.2025-1.2035	0.06-0.03c pm	0.45	0.10-0.05pm	0.25
Ireland†	1.0070-1.0115	1.0086-1.0096	0.13-0.18c dis	−1.17	1.37-1.30pm	5.30
Canada	1.3202-1.3225	1.3220-1.3225	1¼-1⅛c pm	3.93	0.36-0.41dis	−1.17
Nethlnd.	3.4750-3.5000	3.4905-3.4915	4-9c dis	−1.04	2.98-2.95pm	3.40
Belgium	62.02-62.32½	62.10-62.20	2½-3½ore dis	−2.58	16-19dis	−1.89
Denmark	11.07-11.11	11.09¾-11.09¾	0.47-0.53p dis	−3.55	3.10-5.95dis	−1.57
W. Ger.	3.0790-3.0975	3.0915-3.0925	1⅛-1⅛pf pm	4.03	2.75-2.70pm	3.52
Portugal	165¼-166½	165½-166¼	200-830c dis	−25.00	500-1450d	−23.49
Spain	171.10-171.72	171.35-171.50	40-70c dis	−3.20	135-155dis	−3.38
Italy	1,898-1,909½	1,903½-1,904½	10-14lire dis	−5.30	27-28dis	−5.76
Norway	8.91¼-8.94	8.92¼-8.93¼	3-3½ore dis	−3.70	5.05-8.55dis	−3.72
France	9.44¾-9.48½	9.47-9.47½	⅞-1⅛c dis	−1.32	2.30-3.70dis	−1.48
Sweden	8.80½-8.82¼	8.81½-8.82¼	1⅛-2⅛ore dis	−2.12	4.95-5.45dis	−2.36
Japan	245.40-247.50	246.70-246.90	0.89-0.81y pm	3.41	1.87-1.82pm	2.98
Austria	21.63¼-21.75¼	21.69-21.72	4½-1¾gro pm	1.69	6-7pm	1.47
Switz.	2.5420-2.5570	2.5520-2.5530	1⅛-1⅛c pm	4.89	2.68-2.62 pm	4.15

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 62.25-62.35.

OTHER CURRENCIES

Dec. 10	£	$		£ Note Rates
Argentina Peso	185.18-185.49	154.00-154.12	Austria	26.00-26.30
Australia Dollar	1.4295-1.4315	1.1869-1.1875	Belgium	74.85-75.55
Brazil Cruzeiro	3,486.87-3,517.84	2,908-2,923	Denmark	13.30-13.45
Finland Markka	7.7026-7.7381	6.4220-6.4240	France	11.34-11.45
Greek Drachma	151.04-154.09	125.85-128.09	Germany	3.70½-3.74½
HongKong Dollar	9.4400-9.4600	7.8345-7.8375	Italy	2280-2510
Iran Rial	111.50*	92.50*	Japan	298-301
KuwaitDinar(KD)	0.35645-0.35880	0.30330-0.30340	Netherlands	4.18-4.22
Luxembourg Fr.	74.65-74.75	62.10-62.20	Norway	10.71-10.82
Malaysia Dollar	2.9050-2.9110	2.4115-2.4135	Portugal	199-209
New Zealand Dlr.	2.4780-2.4830	2.0570-2.0595	Spain	201¾-211
Saudi Arab Riyal	4.2900-4.2955	3.5605-3.5615	Sweden	10.55-10.66
Singapore Dollar	2.6130-2.6190	2.1675-2.1690	Switzerland	3.05-3.08
Sth African Rand	2.1913-2.1991	1.8915-1.6853	United States	1.12¼-1.21¼
U.A.E. Dirham	4.4245-4.4300	3.6720-3.6730	Yugoslavia	273-327

* Selling rates.

CURRENCY RATES

Dec. 10	Bank rate %	Special Drawing Rights	Europ'n Currency Unit
Sterling	—	0.832751	0.600423
U.S. $	8½	0.989768	0.723509
Canadian $	10.75	*	0.954171
Austria Sch.	4½	21.4868	15.5958
Belgian Fr.	11	61.6428	44.9908
Danish Kr.	7	10.9815	8.01763
D mark	4½	3.06148	2.23482
Guilder	5	3.45429	2.52158
French Fr.	9½	9.58202	6.84605
Lira	15½	1888.65	1378.17
Yen	5	245.554	178.627
Norwgn Kr.	8	8.85061	6.45311
Span'h Ptas.	½	169.594	123.878
Swedish Kr.	9	8.72582	6.36824
Swiss Fr.	4	2.52686	1.84478
Greek Dr'ch	20½	125.582	91.6177
Irish Punt	12¾	0.982401	0.717146

*CS/SDR rate for December 8: 1.30925.

CURRENCY MOVEMENTS

Dec 10	Bank of England Index	Morgan Guarant'y Changes%
Sterling	74.8	−15.4
U.S. dollar	142.5	+88.0
Canadian dollar	90.2	−8.3
Austrian schilling	110.8	+3.1
Belgian franc	90.2	−10.0
Danish Kroner	76.5	−5.7
Deutsche mark	120.7	+6.1
Swiss franc	139.8	+9.5
Guilder	110.7	+3.0
French franc	63.8	−15.4
Lira	45.7	−14.0
Yen	155.7	+12.8

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

EXCHANGE CROSS RATES

Dec. 10	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.203	3.720	297.0	11.30	3.070	4.195	2284.	1.581	74.70
U.S. Dollar	0.831	1.	3.092	246.1	0.473	2.563	3.491	1904.	1.328	62.15
Deutschemark	0.269	0.325	1.	79.84	3.068	0.833	1.128	614.0	0.428	20.08
Japanese Yen 1,000	3.367	4.061	12.53	1000.	38.35	10.34	14.18	7690.	5.355	251.5
French Franc 10	0.878	1.056	3.268	260.8	10.	2.695	3.683	2005.	1.396	65.58
Swiss Franc	0.326	0.392	1.212	96.74	3.710	1.	1.366	744.0	0.518	24.35
Dutch Guilder	0.238	0.287	0.887	70.80	2.715	0.732	1.	544.5	0.379	17.81
Italian Lira 1,000	0.438	0.527	1.629	130.0	4.987	1.344	1.837	1000.	0.696	32.71
Canadian Dollar	0.629	0.756	2.339	186.7	7.161	1.930	2.638	1436.	1.	46.87
Belgian Franc 100	1.339	1.610	4.980	397.6	15.25	4.110	5.616	3058.	2.129	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 10	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	9⅜-9½	8 11/16-8 13/16	10⅜-10⅞	5 11/16-5 13/16	1-1¼	5⅛-5⅜	10½-10¾	15-16	10½-11	10⅛-10¾	6⅛-6⅛	11¾-12¼
7 days' notice	9⅛-9⅝	8¾-8⅞	10⅜-10⅞	5 11/16-5 13/16	1-1¼	5⅜-5⅝	10⅝-10⅞	15⅛-16⅛	10½-11	10½-10¾	5½-6⅛	11¾-12¼
Month	9⅝-9¾	9 1/16-8 13/16	10 1/16-10⅝	5 11/16-5 13/16	5-5⅛	5¾-5⅞	10⅝-10⅞	14⅞-15⅜	10½-11	10⅝-10⅞	5½-6⅛	11¾-12¼
Three months	9 13/16-9 15/16	8 15/16-9 1/16	10 1/16-10⅝	5⅞-6	5-5⅛	5 11/16-5 13/16	10 11/16-11 1/16	14⅞-15⅜	10⅛-11	10⅝-10⅞	6 1/16-6⅜	11⅝-12⅛
Six months	9¾-9⅞	8 13/16-9 1/16	10⅛-10 11/16	6-6⅛	4 13/16-5 1/16	5 11/16-5 13/16	11⅛-11⅜	15-15⅜	10½-11	10⅝-10⅞	6 1/16-6⅜	11½-12
One year	10-10 1/16	10⅜-10⅝	10 11/16-10⅞	6⅛-6⅜	4 11/16-5 1/16	5 11/16-5 15/16	11¾-12	15-15⅜	10¾-11¼	10⅝-10⅞	6 1/16-6⅜	11½-12

Asian $ (closing rates in Singapore): Short-term 8¾-8⅞ per cent; seven days 8 11/16-8 13/16 per cent; one month 9 1/16-9 3/16 per cent; three months 9 5/16-9 7/16 per cent; six months 9 11/16-9 13/16 per cent; one year 10 5/16-10 7/16 per cent. Long-term Eurodollars: two years 11⅛-11½ per cent; three years 11½-11¾ per cent; four years 11⅝-11⅞ per cent; five years 11⅞-12⅛ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates show little change

Interest rates showed little overall change in London yesterday in rather quiet and featureless trading. Once again period rates remained static with sterling showing a very steady trend in currency markets. Short-term money was easier to come by in the afternoon after the Bank of England's late assistance. Overnight rates had opened at 9½-9¾ per cent and touched 10 per cent before slipping away to 5 per cent. Late balances were taken at 8-9 per cent. Three-month interbank money was 9¼-9⅜ per cent from 9⅝-9⅞ per cent while three-month eligible bank bills were bid at 9⅛ per cent, unchanged from Friday.

UK clearing banks' base lending rate 9½-9¾ per cent since November 23.

The Bank forecast a shortage of around £750m and gave assistance totalling £756m. Factors affecting the market included maturing assistance and a take-up of Treasury bills together draining £613m and Exchequer transactions a further £312m. These were partly offset by a fall in the note circulation of £250m and banks' balances brought forward £65m above target.

To help alleviate the shortage, the Bank offered an early round of assistance. This comprised purchases of £79m of eligible bank bills, £2m in band 2 (15-33 days) at 9⅜ per cent, £23m in band 3 (34-63 days) at 9⅜ per cent and £49m in band 4 (64-91 days) at 9⅜ per cent. Further help was given later in the morning of £262m. This comprised purchases of £43m of eligible bank bills in band 2 at 9⅜ per cent and £29m in band 3 at 9⅜ per cent. In band 4 it bought £3m of Treasury bills at 9⅜ per cent.

It also bought £9m of local authority bills and £77m of eligible bank bills all at 9⅜ per cent. In addition it arranged sale and repurchase agreements on £101m of bills at 9⅜ per cent, unwinding in equal amounts on January 9 and 10. In the afternoon additional assistance comprised purchases of £4m of local authority bills and £40m of eligible bank bills all at 9½ per cent in band 1 (up to 14 days) and in band 2 £115m of eligible bank bills at 9⅜ per cent. In band 3 it bought £5m of Treasury bills and £166m of eligible bank bills at 9⅜ per cent and in band 4 £90m of eligible bank bills at 9⅜ per cent. The Bank also provided late assistance of £25m.

MONEY RATES

Dec. 10	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	10¾	1¼-1½	5¾-5⅞	6.59375	16½-17¼	10.0	14⅞-15¼
One month	5.65-5.80	10⅛-10¼	5-5⅛	5⅝-5¾	6.53125	16½-17⅛	10⅛-10⅜	[illegible]
Two months	5.70-5.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	5.75-5.90	10⅜-10⅝	5⅝-6	5⅞-6	6.28125	16½-17¼	10⅝-10⅞	[illegible]
Six months	5.80-5.95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	10¾	—	—	—	—	—	—

LONDON MONEY RATES

Dec. 10 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	5-10	9¼-9⅜	9¼-9⅜	5-8¾	—	—	—	—	—
2 days notice	—	—	—	—	—	—	—	—	—	—
7 days or 7 days notice	—	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—	—
Nine months	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—	—
One year	[illegible]	10-10⅛	[illegible]	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	—	[illegible]	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	[illegible]	—	—	—	—
Three years	—	[illegible]	—	—	—	—
Four years	—	[illegible]	—	—	—	—
Five years	—	[illegible]	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period November 7 to December 4 1984 (inclusive): 9.904 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10½ per cent from December 1 1984. London and Scottish Clearing Bank Rates for lending 9½-9¾ per cent. London Deposit Rates for sums at seven days' notice 6-6¼ per cent. Treasury Bills: Average tender rates of discount 8.8894 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 9¾ per cent; one-three months 9½ per cent; three-six months 9¾ per cent; six-nine months 10 per cent; nine-12 months 10 per cent. Under £100,000 9¾ per cent from November. Deposits held under Series 5 10 per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. December 10)

3 months U.S. dollars

bid 9 5/16 | offer 9 7/16

6 months U.S. dollars

bid 9 11/16 | offer 9 13/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11¼-11½
Broker loan rate	[illegible]
Fed funds	[illegible]
Fed funds at intervention	—

Treasury Bills

One month	7.55
Two month	8.20
Three month	8.32
Six month	[illegible]
One year	8.86

Treasury Bonds

Two year	99¾
Three year	[illegible]
Four year	[illegible]
Five year	[illegible]
Seven year	[illegible]
10 year	[illegible]
30 year	[illegible]

FINANCIAL FUTURES

Trading dull

Trading was mostly featureless in the London International Financial Futures Exchange yesterday. The number of lots traded continued to decline ahead of the year end and with very little encouragement to be gleaned from a quiet cash market.

Most contracts opened unchanged from last week and after easing initially, rallied later in the day. U.S. bond futures benefitted from a mild interest after the opening of U.S. centres. However, the longer term picture appeared to be far from rosy with U.S. M2 and M3 money supply figures, due for release on Thursday, expected to show a significant rise. Further evidence of renewed economic growth is likely to encourage the Federal authorities to sit back and wait rather than initiate a further decline in interest rates. The March contract opened at 70-08 down from 70-11 on Friday but recovered to close at 70-12.

Trading in FT-SE contracts pushed values firmer. After a quietly firmer morning session, prices rose in the afternoon to record levels, helped by continued demand for British Telecom shares. UK retail sales and producer price figures were greeted favourably and added to the bullish sentiment. The December contract opened at 118.65 up from 118.20 and rose to a closing level of 119.35.

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Dec	119.35	119.40	118.05	118.20
March	119.65	119.45	119.30	[illegible]
June	119.85	—	—	118.76

Est volume 415 (289)
Previous day's open int 987 (836)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	71-05	71-08	70-28	71-17
March	70-12	70-14	70-02	70-11
June	69-24	69-23	69-17	69-23

Est volume 1,358 (2,146)
Previous day's open int 1,837 (1,601)

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	90.58	90.90	90.57	90.65
March	89.98	89.98	89.90	89.92
June	89.49	89.49	89.41	89.45
Sept	89.07	89.07	89.00	89.02
Dec	88.68	—	—	88.64

Est volume 2,281 (4,596)
Previous day's open int 10,103 (10,364)

THREE-MONTH STERLING £250,000 points of 100%

	Close	High	Low	Prev
Dec	90.22	90.25	90.21	90.23
March*	90.30	90.31	90.27	90.33
June*	90.19	90.19	90.17	90.22
Sept*	90.02	—	—	90.05
Dec*	89.00	—	—	89.84

Est volume 411 (514)
Previous day's open int 8,365 (5,539)
*£500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	109-24	109-24	109-19	109-23
March	109-05	109-06	108-31	109-03
June	108-22	—	—	108-20
Sept	111-11	—	—	111-09

Est volume 1,034 (1,485)
Previous day's open int 3,117 (3,079)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) −2 to 05 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.2030	1.203	1.2010	1.2015
March	1.2036	1.2038	1.2022	1.2008
June	1.2050	—	—	1.2020

Est volume 33 (813)
Previous day's open int 6,428 (5,643)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3231	0.3235	0.3231	0.3238
March	0.3267	0.3274	0.3260	0.3267

Est volume 90 (137)
Previous day's open int 220 (295)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.3914	0.3923	0.3914	0.3931
March	0.3966	0.3967	0.3966	0.3973

Est Volume 2 (5)
Previous day's open int 509 (512)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	.4041	0.4043	0.4042	0.4042
March	0.4085	0.4087	0.4073	0.4074

Est volume 65 (98)
Previous day's open int 241 (246)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	71-02	71-07	70-28	70-30
March	70-08	70-14	70-04	70-06
June	69-20	69-25	69-13	69-17
Sept	69-04	69-07	69-02	68-31
Dec	68-21	69-24	68-14	68-16
March	68-08	68-08	68-06	68-03
June	67-28	67-28	67-25	67-23
Sept	67-16	67-16	67-15	67-12
Dec	67-00	67-06	66-31	67-02
March	—	66-31	66-25	66-17
June	—	—	—	66-17

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.59	91.64	91.57	91.60
March	91.17	91.10	91.14	91.15
June	—	90.74	90.76	90.76
Sept	90.35	90.25	90.34	90.31
Dec	89.99	90.00	89.99	89.97
March	89.67	89.72	89.67	89.65
June	89.42	89.42	—	89.38
Sept	89.18	89.18	89.13	89.15

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.92	90.95	90.89	90.92
March	90.32	90.24	90.28	90.28
June	—	89.83	89.81	89.78

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.68	90.57	90.53	90.56
March	89.95	89.98	89.88	89.91
June	89.45	90.40	89.40	89.41
Sept	89.00	89.03	88.95	88.97
Dec	—	88.65	88.61	88.59
March	89.29	88.31	88.28	89.24
June	87.87	87.98	97.93	87.83
Sept	87.68	87.69	87.68	87.64

STERLING (IMM) Se per £

	Latest	High	Low	Prev
Dec	—	1.2060	1.2005	1.2040
March	1.2005	1.2065	1.2000	1.2030
June	1.2070	1.2070	1.2030	1.2070
Sept	1.2090	1.2090	1.2050	1.2070
Dec	—	1.1120	1.1120	1.2080

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	68-30	68-30	68-29	68-24
March	68-05	68-05	67-29	67-29
June	87-14	67-14	67-09	67-08
Sept	66-27	—	—	66-23
Dec	—	—	—	66-08
March	—	—	—	—
June	—	65-14	65-12	65-13

£ WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on December 10, 1984. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (n) official rate; (sg) selling rate; (c) controlled rate; (u) unified rate.

COUNTRY	CURRENCY	VALUE OF £ STERLING
Afghanistan	Afghani	99.03
Albania	Lek	10.05
Algeria	Dinar	(A) 6.12
Andorra	French Franc	11.38
	Spanish Peseta	206.15
Angola	Kwanza	(CM) 37.066
Antigua	E. Caribbean $	3.25
Argentina	New Peso	188.883
Australia	Australian $	1.4305
Austria	Schilling	26.133
Azores	Portugu'se Escudo	199.18
Bahamas	Ba. Dollar	1.2030
Bahrain	Dinar	0.4533
Balearic Isles	Spa. Peseta	206.15
Bangladesh	Taka	30.63
Barbados	Barbados $	2.405
Belgium	B. Franc	(cm) 74.70 (fn) 74.03
Belize	B.$	2.405
Benin	C.F.A. Franc	568.30
Bermuda	Bda $	1.2030
Bhutan	Indian Rupee	14.55
Bolivia	Bolivian Peso	(u) 10,368.96§
Botswana	Pula	1.7665
Burkina Faso	C.F.A. Franc	569.50
Brazil	Cruzeiro ‡‡	3,307.555
Brit. Virgin Isles	U.S. $	1.2030
Brunei	Brunei $	2.6150
Bulgaria	Lev	1.2594
Burma	Kyat	10.90
Burundi	Burundi Franc	148.68
Cameroon	C.F.A. Franc	568.50
Canada	Canadian $	1.5905
Canary Islands	Spanish Peseta	206.15
Cape Verde Is	Cape V. Escudo	107.30
Cayman Islands	Cay. Is. $	1.0025
Cent.Afr. Republic	C.F.A. Franc	569.50
Chad	C.F.A. Franc	369.50
Chile	Chilean Peso	146.98**
China	Renminbi Yuan	3.3340
Colombia	Col. Peso	(F) 134.65**
Comoro Islands	C.F.A. Franc	569.50
Congo (Brazzaville)	C.F.A. Franc	550.30
Costa Rica	Colon	(U) 57.44
Cuba	Cuban Peso	1.0822
Cyprus	Cyprus £	0.7550
Czechoslovakia	Koruna	(com) 8.70 n/c 14.70 15.15(9)
Denmark	Danish Kroner	13.35
Djibouti	Djibouti Franc	207.0 (sg)
Dominica	E. Caribbean $	3.23
Dominican Repub	Dominican Peso	(O) 1.2030 3.509(7)
Ecuador	Sucre	(O) 81.21 (F) 145.06
Egypt	Egyptian £	0.8880(4) 1.4430(8)
El Salvador	Colon	[illegible]
Equatorial Guinea	Ekuele	412.52
Ethiopia	Ethiopian Birr	(P) 2.455
Falkland Islands	Falkland Is. £	1.0
Faroe Islands	Danish Kroner	13.33
Fiji Islands	Fiji $	1.3571
Finland	Markka	7.7160
France	French Franc	11.39
French Cty in Af.	C.F.A. Franc	568.50
French Guiana	Local Franc	11.39
French Pacific Is.	C.F.P. Franc	200.0
Gabon	C.F.A. Franc	566.60
Gambia	Dalasi	5.00
Germany (East)	Ostmark	3.79
Germany (West)	Deutsche Mark	3.79
Ghana	Cedi	60.15
Gibraltar	Gibraltar £	1.0
Greece	Drachma	151.065

COUNTRY	CURRENCY	VALUE OF £ STERLING
Greenland	Danish Kroner	13.35
Grenada	E. Caribbean $	3.25
Guadaloupe	Local Franc	11.50
Guam	U.S. $	1.2030
Guatemala	Quetzal	1.2030
Guinea	Syli	20.91
Guinea-Bissau	Peso	101.84
Guyana	Guyanese $	5.0585
Haiti	Gourde	5.015
Honduras	Lempira	2.43
Hong Kong	H.K. $	9.4450
Hungary	Forint	51.15§
Iceland	I. Krona	48.168
India	Ind. Rupee	14.55
Indonesia	Rupiah	1,358.0
Iran	Rial	111.50 (sg)
Iraq	Iraqi Dinar	0.3740
Irish Republic	Irish £	1.1883
Israel	Shekel	717.0
Italy	Lira	2,284.50
Ivory Coast	C.F.A. Franc	569.50
Jamaica	Jamaica Dollar	5.5505
Japan	Yen	297.0
Jordan	Jordanian Dinar	0.464
Kampuchea	Riel	N/A
Kenya	Kenya Shilling	18.47
Kiribati	Australian $	1.4305
Korea(Nth)	Won	1.57(11)
Korea(Sth)	Won	989.40
Kuwait	Kuwaiti Dinar	0.3565
Laos	New Kip	42.105
Lebanon	Lebanese £	10.6105
Lesotho	Maluti	2.1058
Liberia	Liberian $	1.2030
Libya	Libyan Dinar	0.3560
Liechtenstein	Swiss Franc	3.07
Luxembourg	Lux Franc	74.70
Macao	Pataca	9.785
Madeira	Portug'se Escudo	199.15
Malagasy Republic	MG Franc	763.50
Malawi	Kwacha	1.68
Malaysia	Ringgit	2.9090
Maldive Islands	Rufiyaa	9.0625
Mali Republic	C.F.A. Franc	569.50
Malta	Maltese £	0.575
Martinique	Local Franc	11.39
Mauritania	Ouguiya	80.70
Mauritius	M. Rupee	16.58
Mexico	Mexican Peso	(F) 956.91 (C) 296.18
Miquelon	Local Franc	11.39
Monaco	French Franc	11.59
Mongolia	Tugrik	4.56 (11)
Montserrat	E. Caribbean $	3.25
Morocco	Dirham	11.95(sg)
Mozambique	Metical	[illegible]
Namibia	S.A. Rand	2.1952
Nauru	Australian Dollar	1.4305
Nepal	Nepalese Rupee	20.18
Netherlands	Guilder	4.1950
NetherlandAntilles	Antillian Guilder	2.1535
New Zealand	N.Z. Dollar	2.4605
Nicaragua	Cordoba	12.09
Niger Republic	C.F.A. Franc	569.50
Nigeria	Naira	1.0895 75(sg)
Norway	Norwegian Krone	10.74
Oman Sul'ate of	Rial Omani	0.4165
Pakistan	Pakistan Rupee	17.50
Panama	Balboa	1.2030
Papua N. Guinea	Kina	1.1815
Paraguay	Guarani	(288.72(8) 178.95(7) 590.90(12)

COUNTRY	CURRENCY	VALUE OF £ STERLING
Peru	Sol	exc(A)5,881.98
Philippines	Philippine Peso	23.10
Pitcairn Islands	£ Sterling	—
	New Zealand $	9.4805
Poland	Zloty	131.95
Portugal	Portugu'se Escudo	199.18
Puerto Rico	U.S. $	1.2050
Qatar	Qatari Ryal	4.5790
Reunion Island	French Franc	11.59
Romania	Leu	(Cm)5.59 (N/C)15.07
Rwanda	Rwanda Franc	185.92
St. Christopher	E. Caribbean $	3.23
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean	3.25
St. Pierre	Local Franc	11.39
St. Vincent	E. Caribbean $	3.25
Salvador El	(See El Salvador)	
Samoa American	U.S. $	1.2030
San Marino	Italian Lira	2,284.0
Sao Tome & Prin	Dobra	54.82
Saudi Arabia	Saudi Ryal	4.29275
Senegal	C.F.A. Franc	569.50
Seychelles	S. Rupee	8.65(sg)
Sierra Leone	Leone	(O)3.060
Singapore	Singapore $	2.6150
Solomon Islands	Solomon Is. $	1.5911
Somali Republic	Somali Shilling	31.28
South Africa	Rand	2.1952
Spain	Peseta	206.15
Spanish ports in North Africa	Peseta	206.15
Sri Lanka	S. L. Rupee	31.25
Sudan Republic	Sudan £ (u)	1.58
Surinam	S. Guilder	2.1535
Swaziland	Lilangeni	2.1952
Sweden	S. Krona	10.61
Switzerland	Swiss Franc	3.0 7
Syria	Syrian £	(A) (T)9.0 (CM)4.7280
Taiwan	New Taiwan $	47.46
Tanzania	Tan. Shilling	21.37
Thailand	Baht	31.85
Togo Republic	C.F.A. Franc	569.50
Tonga Islands	Pa'anga	1.4305
Trinidad	Trinidad & Tob $	2.2870
Tunisia	Tunisian Dinar	1.0060
Turkey	Turkish Lira	516.81
Turks & Caicos	U.S. $	1.2030
Tuvalu	Australian $	1.4305
Uganda	Uganda Shilling	662.0
United States	U.S. Dollar	1.2050
Uruguay	Uruguay Peso	82.57
Utd. Arab Emirates	U.A.E. Dirham	4.4375
U.S.S.R.	Rouble	1.0588
Upper Volta	C.F.A.	See Burkina-Faso
Vanuatu	Vatu	118.50
Vatican	Italian Lira	2,284.0
Venezuela	Bolivar	[illegible]
Vietnam	Dong	[illegible]
Virgin Island U.S.	U.S. Dollar	1.2030
Western Samoa	Samoan Tala	(A)2.5676
Yemen (Nth)	Ryal	7.01(sg)
Yemen (Sth)	S. Yemen Dinar	0.4120
Yugoslavia	New Y Dinar	242.7244
Zaire Republic	Zaire	48.35
Zambia	Kwacha	2.45
Zimbabwe	Zimbabwe $	1.7580

* Rate is the transfer market (controlled). ‡‡ Now one official rate. (§) Based on gross rates against Russian rouble. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (4) Preferential rate for public sector debt and essential imports. (5) Preferential rate. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate. (8) Rate for remittances of foreign currency by Egyptians working abroad and tourists. (9) Banknote rate (10) Rate for exports. (12) Rate for imports. (13) Essential imports. (14) Nearly all business transactions. † Venezuela live rate (for December 3) was 14.56.

Contracts & Tenders

INTERVENTION BOARD FOR AGRICULTURAL PRODUCE
INVITATION TO TENDER

Tenders are invited for the urgent supply of 10,436 tonnes of bagged wheat flour to Syria for delivery on a fob stowed and trimmed basis to an EEC port. Loading shall commence no earlier than 25 January 1985 and no later than 5th February 1985 for 15 days also the supply of 6,904 tonnes of soft wheat to Tunisia for delivery on a fob stowed and trimmed basis to an EEC port. Loading shall commence no earlier than 15th January 1985 and no later than 1st February 1985 for 15 days.

The price for the supply and transportation costs of the wheat flour and soft wheat for the above tenders will be determined on examination of the tenders which must be submitted by noon on 8th January 1985 to The Home Grown Cereals Authority, Hamlyn House, High Gate Hill, London N19 5PR.

Notices of invitation to tender together with tendering forms may be obtained from: Branch B (Cereals), Internal Market Division, Intervention Board for Agricultural Produce, 2 Queens Walk, Fountain House, Reading, Berks RG1 7QW. Tel: Reading (0734) 583626, Extension 388.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for December 10.

* No information available-previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Co. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

CAPITAL MARKETS

Prudential Insurance of America to tap market for $1bn

BY MAGGIE URRY IN LONDON

WITH ONLY a dozen investing days left until Christmas Salomon Brothers is testing the Eurobond market's liquidity by asking for over $1bn on behalf of Prudential Insurance of America.

The funds are being raised through three tranches in the name of Prudential Realty Securities.

The first two are fixed-rate issues, the third a zero coupon bond. The first tranche, for $386.049m, has a final maturity in January 1992, but a sinking fund will operate throughout its life, bringing the average life down to 4.6 years. The coupon was set at 11⅞ per cent and the issue price at par. Fees totalled 1⅞ per cent.

The second portion raises $545.691m and has a January 1995 maturity. This, too, has a sinking fund which starts after eight years and gives a 9.1 year average life. The coupon is 12⅛ per cent and issue price par, with gross fees of 2 per cent.

One dealer called these two tranches "the most sensibly priced paper we have seen for a while." The sheer size of the issue is likely to make distribution slow, however. Eventually the size will prove an advantage, giving greater secondary market liquidity.

The zero-coupon issue has as 14-year life and $365.216m redemption value. The issue price is 20.85, at which level the redemption yield is 11.85 per cent, and the proceeds are just over $76m. Fees are 89½ basis points.

Prudential is using the issues to restructure its mortgage portfolio, hence the unusual amounts and the sinking funds. Co-leads on all three are Credit Suisse First Boston, Prudential – Bache and Hambros.

Nomura Securities launched a $150m floating rate note issue for Credit Lyonnais, aimed at Middle East and Far East investors. The 15-year bonds will pay interest at ⅛ per cent over the six-month offered rate for London interbank Eurodollar deposits. Total fees are 40 basis points. The bonds traded around the 20 basis point selling concession.

Co-leads are Credit Lyonnais and Saudi International Bank. Trading was again quiet in the Eurodollar bond market. Prices were weaker continuing Friday's fall, closing about ¾ point lower.

Baring Brothers announced a $100m bulldog issue for the Inter-American Development Bank. The bonds mature in May 2015 and pay a gross redemption yield which is 1 per cent higher than that on the Treasury 13½ per cent 2004–08 when the pricing is fixed on Wednesday afternoon. At current levels the yield would be about 11.3 per cent.

The issue has the added attraction of being £30 partly paid until June 1985, and the first coupon is not paid until November 1985.

The State Bank of New South Wales is raising A$40m through a five-year issue yielding 12¾ per cent. Lead manager is Morgan Stanley, with S. G. Warburg and Salomon Brothers as co-leads.

Commodore, the computer company, launched its DM 100m public issue through Bayerische Vereinsbank. The seven-year deal, which has a 7½ per cent coupon and par issue price, was well received, trading inside the 1½ per cent selling concession.

Another equity warrants deal appeared from Nippon Shinpan, guaranteed by Sanwa Bank. The DM 200m issue has a five-year life and a 3⅛ per cent coupon. Lead manager is Dresdner Bank.

D-Mark bonds were about ¼ point lower yesterday after the weaker New York market and the firmer dollar. Investors are holding off and the market is quiet.

Swiss franc bonds were also an average ¼ point lower. Dealers have largely squared their books for the year-end. New public issues have also dwindled.

In the Euroyen sector Nomura is expected to launch an issue for United Technologies.

French banks to study new bond fund rules

THE FRENCH Banking Association said yesterday that it was studying possible changes in rules governing domestic bond investment funds, but would take no decision without full discussions with all interested parties.

The statement follows comments by M David Dautresme, chairman of Crédit du Nord, that the association might tighten the rules to discourage sudden movements of short-term money in the funds.

Sudden withdrawals of company cash placed in the funds led to sharp falls in domestic bond prices last Thursday in the secondary market after the Finance Minister, M Pierre Bérégovoy, said he would set up a market in certificates of deposit (CDs).

Average yields rose a full percentage point after M Bérégovoy said that he planned to allow companies early next to issue negotiable CDs. Dealers said these would be an attractive alternative to placing spare cash in the bond funds.

M Dautresme said in Nice on Saturday that the proposed rule changes would institute minimum investment amounts in the funds and a minimum placement period of a year to discourage excessive movements of cash. Funds would have to tell potential subscribers clearly of the risks involved, while the minimum proportion to be invested in bonds would be reduced to 60 per cent from 80 per cent.

Treasury bill rate set

THE INTEREST rate on the two-year French Treasury bills was set at 10 21/64 per cent at yesterday's Bank of France tender compared with 9 25/64 at a tender on November 6, money market dealers said.

Interest on the new bills will be paid annually, however, raising the rate about ½ percentage point higher than if paid monthly as with the November 6 bills, they said.

At the last tender on December 5 a rate of 9 37/64 per cent, paid monthly, was set on nine-month bills.

The bank sold FFr 957m of yesterday's bills against bids for FFr 1.44bn and an offer of FFr 1bn.

The bank also sold FFr 980m of 16 month floating rate bills at rates between the monthly average of call money and 1/64 percentage point higher.

It served all bids totalling FFr 340m at the call money average and FFr 250m at a 1/32 point premium, as well as accepting half of the bids, or FFr 390m, at a 1/64 point premium.

Bids on the floating rate bills totalled FFr 2.54bn and the original offer was FFr 1bn.

● Italian Treasury Bill rates eased slightly in an undersubscribed mid-December auction of paper worth L1,500bn, the Bank of Italy said.

The bank offered L750bn of six-month paper but assigned only L450bn to competitive bidders for an average yield of 14.29 per cent at end-November.

Competitive bids totalled L684.2bn. The bank purchased L300bn of six-month paper itself.

Reuter